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Clinton Trial Will Be Fair And Quick,' Lott Vows

Senate's Proceedings To Begin Thursday; Details Remain Sketchy

By Brian Knowlton

WASHINGTON — The impeachment trial of President Bill Clinton will formally begin on Thursday, the Senate majority leader announced Tuesday, but crucial details of the proceeding remain

As the 106th Congress prepared to convene Wednesday, it was still un-known if the trial would be concluded in days or possibly go on for months.

The Senate majority leader, Trent Lott of Mississippi, promised a "fair and quick" hearing of the charges that Mr. Clinton committed perjury and obstructed justice to conceal his intimate relationship with a former intern, Monica Lewinsky.

"We have a constitutional duty here," Mr. Lott said. "It is a very serious one. It is one we must carry forward. We will do our very best to do this But he provided no other details

thout what would happen Thursday, or now long a trial might last. He and other senators met throughout the day, but no clear road map emerged.

The lack of elarity appeared to in-dicate that a plan promoted by Mr. Lou and leading Democrats for an expedited trial has failed to draw sufficient support from other senators.

Mr. Lott had met earlier with his Democratic counterpart, Senator Tom Daschle of South Dakota, and with the chief justice of the Supreme Court, William Rehnquist, who will preside over Mr. Clinton's Senate trial.

White House lawyers were not included in the discussions, but they let it be known Tuesday that they were preparing a vigorous defense, and planned to challenge aggressively some of the factual allegations in the report to the House of Representatives by Kenneth Starr, the independent counsel.

The White House defense before the ciary Committee was largely nn the assertion that the charges against Mr. Clinton, even if proved, were not grounds for impeachment.

Mr. Daschle, speaking before his meeting with Mr. Lott, said that he still believed that most senators favored an expedited proceeding against Mr. Clinton, "The longer this drags out, the more acrimonious, the more poliocal and the less helpful it'll be," he said on NBC television.

Later, at a news conference, be offered little conviction that the proposal would receive the necessary 51 votes, saying only, "I wouldn't say it's dead."

Because of Republican opposition, he added, "we may well have to go to Plan B, C, or D."

The trial will be the first of a president in 130 years — the first since President Addrew Johnson avoided conviction by a single-vote margin — and leading senators and Justice Rehnquist have little precedent to guide them.

Sources told The Associated Press that the plan tentatively discussed Tuesday by the Senate leaders called for Justice Rehnquist to administer a constitutionally prescribed oath to senators on Thursday, so that they may sit as jurors.

Later the same day, the 13 members of the House of Representatives who have been designated as "managers" of the trial would formally outline the two articles of impeachment that the full House passed on Dec. 19.

This step assumes that the 13, all members of the Judiciary Committee, will receive formal authorization to serve as managers in a House vote set for Wednesday.

There was some discussion among House Democrats of voting against the 13, as an expression of protest, but the Republican majority in the House apears to assure them the needed votes. Democrats were also considering a new attempt to place the House on record in favor of censure. This is also considered nearly certain to fail.

After the senators are sworn in, the proceedings will probably be suspended

while both sides prepare legal papers.

The Senate would issue a writ of summons to the president, setting a date for him to appear and answer the charges. But he has the right to be

See CLINTON, Page 8

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Tokyo traders taking stock of their positions as the dollar fell toward the 27-month low of 110.490 yen it hit Tuesday. Investors have been selling dollars for yen to take advantage of a near-doubling in Japanese bond yields.

	The Dollar	
New York	Tuesday & 4 P.M.	previous close
Euro	1,1778	1,1828
Pound	1.655	1,6607
Yen	111.305	111.925
DM	1.6585	1.653
FF	5.5708	5.5898
Dollars per po	und and per euro.	
	The Dow	
	Tuesday @ 4 P.M.	percent change
+ 126.92	9,311.19	+ 1,38%
	S&P 500	
4		percent change
+ 16.67	1,244.77	+ 1,36%
	Nasdag	
4		percent change
+ 43.23	2.251.27	+ 1.96%

Debate Is Started On Euro's Course

A day after the euro's powerful debut, the Italian Treasury minis-ter. Carlo Azeglio Ciampi, warned Tuesday that the European Central Bank could cut interest rates if the w single currency for I1 countries became too streog. Elsewhere in Europe, there was less concern about the currency's eventual strength. Page 11.

Dollar Takes a Pounding As Investors Flock to Yen

Tokyo Aide Questions Bubble-Like' U.S. Economy

By Philip Segal International Herald Tribun

HONG KONG—The dollar tumbled Tuesday to a 27-month low against the yen after a leading Japanese financial official described the U.S. economy as bubble-like."

Rising Japanese interest rates, meanwhile, continued to lure investment money to Japan from the United States, prompting some analysts to ask: If not the Japanese, who will finance America's bulging current account deficit?

If the answer is "nobody," American interest rates may end up rising this year instead of falling. That could send the U.S. stock market plummeting. Eisuke Sakakibara, the deputy finance minister for international affairs who is widely known as "Mr. Yen."

said in a newspaper interview published Tuesday that the U.S. economy looked "My utmost concern is high U.S. stock prices," the Nihon Keizai news-

paper quoted Mr. Sakakibara as saying. "A nation whose savings ratio is neg-

continued to climb. Rising bond yields in Tokyo encourage Japanese and other investors to buy yen and sell dollars and other currencies to purchase that gov-

yen in late trading in New York.

arive is consuming a lot," he added.
"Such an economy is bound to slow once stock prices fall."

refusal Tuesday to comment on current

foreign-exchange levels, helped push the yen up more than 3 percent against the dollar. The dollar hit a low of 110.490

yen, although it recovered to 111.305

Meanwhile, the yield on the bench-mark No. 203 10-year Japanese bond,

which has almost doubled in a month,

Mr. Sakakibara's comments, and his

emment debt. This tends to push down the value of the dollar, . "The twin bubbles are linked," said Charles Dumas, a director at the Londonbased Lombard Street Research. "And the twin bubbles are the Japanese bond ket and the U.S. stock market." Naw that the Japanese bond bubble

has hurst, some analysts asked, could See YEN, Page 16

Saddam Appeals For Arab Uprising But, as Feud Deepens, Egypt

Verges on Calling for His Ouster

By Douglas Jehl ·
New York Times Service

CAIRO - President Saddam Hussein cailed on "the Arab nation" on Tuesday to back Iraq in its confrontation with the United States and to rise np against leaders who have not given his

regime their full support.

The call was the latest step in a hitter spiral that has left Baghdad increasingly at odds with other Arab governments in the aftermath of the American-led air strikes on Iraq last month.

The appeal was made just hours after Egypt all but called for Mr. Saddam's

"Revolt sons of the great Arab nation, against injustice and let your voices be heard," Mr. Saddam said in an Army Day speech broadcast by Al-Jazeera Television, an Arabic-language satellite channel based in Qatar that is viewed throughout the Arab world.

Egypt and most other Arab govern-ments were plainly left uneasy by the four days of American and British air strikes that ended on Dec. 19 and that prompted demonstrations in Cairo and other Arab capitals. But in the weeks since, none of those governments have been willing to align themselves with fraq, prompting Mr. Saddam to argue with increasing anger and frustration that their loyalties were misplaced.

In the broadcast Tuesday, he did not mention any Arab leaders by name, But he called on the Arab people to "correct the deviations of those who have de-

Mr. Saddam noted in particular that the aircraft that attacked Iraq had flown from Arab countries and from ships in Arab waters and that there were Western troops "in the land of the holy sites" a reference to Sandi Arabia.

Since last week, Iraqi officials and newspapers have singled out Egypt's president, Hosni Mubarak, suggesting that he was little more than a stooge of the West because he thid not stand up against the attacks.

In response, a commentary broadcast overnight on the Egyptian state radio added to the war of words by suggesting that the time had come for "the beginni of the end" for the Iraqi regime.

It included the harshest rhetoric that Egypt has directed against Iraq since the Gulf War in 1991, denouncing Mr. Sadand the "destroyer of Iraq."

"The Arab nation has never known, even in its worst periods of decadence, a leader worse than the dictator of Iraq, who committed the crime of invading Knwait, which led to his Mother of Defeats," the Egyptian radio said.

As if to underscore those sentiments, Egypt's ambassador to Jordan was reported to have met there in recent days with leaders of the Iraqi National Accord, one of the opposition groups vowing to overthrow Mr. Saddam. And Egyptian television devoted much of a two-hour broadcast on Monday night to interviews with ordinary people, includ-

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Iraqi Fighters And U.S. Jets **Clash in South**

By Philip Shenon
New York Times Service

WASHINGTON - In the first air duel between American and Iraqi jet fighters in more than six years, U.S. warplanes fired missiles at Iraqi jets over sonthern Iraq on Tuesday, and one of the Iraqi planes was reported to have crashed after it ran out of fuel.

Defense Department officials said that at least four air-to-air missiles were fired by the American jets --- two U.S. Air Force F-15 strike aircraft and two U.S. Navy F-14 fighters - after the Iraqi planes repeatedly violated the no-

flight zone over southern Iraq. The Pentagon said there was no evidence to suggest that the American missiles hit any of about a dozen Iraqi MiG and Mirage fighters that breached

the zone Tuesday. The United States vowed later Tuesday that it would not back down from enforcing the no-flight zones.

"We will continue to enforce the no-See IRAQ, Page 8

Japanese Minister Recants

Tokyo Plays Down 'Inappropriate Remarks' That Criticized U.S. and Peace Constitution'

By Nicholas D. Kristof
New York Times Service

TOKYO — The government backed away on Tuesday from remarks by a cabinet member suggesting that Japanese are unhappy with their "Peace Constitution" and that the United States

bullies other countries.
Justice Minister Shozaburo Nakamura apologized for his remarks and said he had not meant them. The comments were the latest in a long tradition of top Japanese officials' making incendiary statements and then sheepishly retracting them after they become pub-

"The so-called free-market economy eited by the U.S. is not real freedom, Mr. Nakamura had told several hundred ministry officials at a New Year's party, according to reports by Japanese news-papers. "It is a kind of freedom that lets loose atom bombs and missiles just when another country appears to gain an Mr. Nakamura, 64, did not elaborate.

But he specifically denounced the United States for threatening sanctions against countries accused of unfair trade To many Japanese, the most striking comments by Mr. Nakamura were his

suggestious that the constitution is burdensome and should be changed to give Japan the right to use military force. We are struggling under a consti-

tution that prevents us from having an army and denies us the ability to revise" it, Mr. Nakamura said, according to the Asahi Shimbun.

"The constitution, which prohibits Japan from engaging in war and strips Japan of its right to self-defense and holding an army, was handed down by the Allied forces to the Japanese people," he added. "And we are now struggling with the fact that we cannot revise it."

Most historians agree with Mr. Na-kamura's view that the constitution was imposed on Japan by the United States in the aftermath of World War II, but legally Japan has every right to amend its constitution. Such a move, however, would trigger bitter protests among Asian countries that Japan invaded dur-

ing the war. At a cabinet meeting Tuesday, Prime Minister Keizo Ohuchi raised the matter of Mr. Nakamura's remarks - which were widely reported in Japanese news-papers on Tuesday — and asked him to

Mr. Nakamura told the cabinet, "The true meaning of these remarks I made on the occasion of the New Year ceremony at the Ministry of Justice was to explain various issues facing our country as well as the complicated international situation, in the context of emphasizing the need for judicial reform in Japan."

See JAPAN, Page 8



SPEAKING OUT - Chee Soon Juan, leader of a small opposition party in Singapore, defying the police by giving a political speech without a license Tuesday, for the second time in a week. Page 5.

AGENDA

Iran Blames Rogue Agents for Killings

TEHRAN (AFP) - Iranian inteligence officers carried out recent killings of several dissident intellectuals and politicians in Tehran, the

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Intelligence Ministry said Tuesday. "Irresponsible colleagues" who were "acting on their own" were responsible for the killings, the ministry was quoted by the official fra-

nian press agency, IRNA, as saying.

The ministry condemned the murders, which it said had been carried out by a network of agents working on behalf of foreign interests.

The ministry has succeeded in identifying the network and arresting its members," it said.

Expanding Ties, Clinton Extends a Hand to Cuba

By Brian Knowlton International Herald Tribune

WASHINGTON - The United States, seeking to ease the plight of the Cuhan people without strengthening its government, will allow a greatly expanded flow of cash donations to Cuba, anthorize food sales and permit easier travel to the Caribbean island, President Bill Clinton announced Tuesday.

But in announcing the changes, Mr. Clinton insisted that there would be no alleviating of the trade embargo that has been in effect since 1962.

"These steps are designed to help the Cuban people without strengthening the Cuban government," the president said. "They are consistent with our policy of keeping pressure on the regime for democratic change - through the embargo and vigorous diplomatic

The moves, hulding on changes announced in March, will allow any American, and not just family members, to send cash to Cuban eitizens and to certain nongovernmental organizations; permit the sale of food and agricultural products to church groups, private farmers and others, but not the government; authorize charter flights to Cuban cities other than Havana and from U.S. cities other than Miami, and make it easier for academics, athletes, scientists and

others to take part in exchanges.
In addition, U.S. officials will seek to open direct mail service with Cuba.

And, in an echo of the so-called Ping-Pong diplomacy that belped break the ice of U.S.-Chinese

initiatives — while finding ways to reach out to the Cuban people through humanitarian efforts and help in developing civil society." enmity in the early 1970s, the Baltimore Orioles baseball team will be permitted to play the Cuban national team, both in Cuba and in the United States, if

agreement can be reached on arrangements. [The Clinton administration's policy was greeted with a pointed official silence from the government of Fidel Castro, The New York Times reported from Havana, but some Cuban officials and economists said privately the measures would do little or nothing to ease the deep economic crisis here that many attribute to the U.S. trade embargo. "This is nothing surprising, just more of the same," a high-ranking official said.]

The administration rejected a proposal made in October by a bipartisan group of 15 senators, backed by three former secretaries of state, that Mr. Clinton

See CUBA, Page 8

Blaming Serbs, NATO General Says Kosovo Nears New War

By Joseph Fitchett

PARIS - Warning that Kosovo is headed toward a resumption of fullscale civil war in weeks, General Wesley Clark, the supreme affied commander in Europe, blames Serbia for es-calating military tensions in the province and for undercutting chances for a political deal with the ethnic Albanian majority.

"The Serbs are violating their commitments to NATO," General Clark said. He accused Belgrade of deploying extra companies of regular troops, leaving heavy weapons in the hands of Ser-bian police officers who were supposed

to revert to normal peacetime procedures and breaking other pledges given in October to avert allied air strikes.

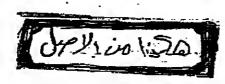
Kosovo risked spiraling out of control, he said, because of "the underlying that he was a supposed to normal peacetime procedures." dynamic, the fact that both sides are preparing for an outcome with no political accord — sharpening their claws and refining their tactics."

In the long run, be implied, the Serbian military presence would face Kosovo Albanians who "have to continue to struggle because they can't risk another catastrophe of falling under the political repression from Belgrade." He was referring to the 10 years since Kosovo's autonomy was withdrawn by the central government.

The thrust of his remarks, in a phone interview late Monday, added weight to recent suggestions that Clinton administration officials are starting to see the downfall of President Slobodan Milosevic as the precondition to real progress in Kosovo and elsewhere in the former Yugoslavia. General Clark's prognosis was

phrased more sharply than warnings from NATO officials last month after an outbreak of fighting and they contrasted somberly with the hope among Western officials last fall that the truce imposed by the North Atlantic Treaty Organization would hold at least until spring. . His comments appeared to be an appeal to Belgrade for concessions to save

See KOSOVO, Page 4



Behind Doors, A Culture of Exploitation

By William Branigin

ASHINGTON — Thousands of domestic servants are being brought into the United States from impoverished countries and then severely exploited by foreign employers, many of whom work for nbassies and international organizations in the Washington area, according to human-rights groups, immigration attorneys and former domes-

Despite occasional publicity about such cases in the past, the abuses have persisted with relative impunity and appear to be on the rise, the domesocs' advocates and others interviewed by The Wash-

ington Post say.

A federal "worker exploitation task force" formed by Attorney General Janet Reno is investigating some of the worst alleged offenders as part of a broader crackdown on labor abuse. The part of a broader crackdown on labor abuse. The task force, which includes members of the Justice Department's Civil Rights Division, the FBI, the Immigration and Naturalization Service and the Labor Department, is aimed at rooting out what Ms. Reno has called "the serious problem of modernday slavery" in the United States.

But in concentrating their efforts on the most egregious cases involving the suspected illegal confinement of servants, federal agencies have skipped over others, that fall short of that standard, even

over others that fall short of that standard, even when they include apparent violations of federal labor, immigration and tax laws.

The domestic servants, most of them women from poor backgrounds in Africa, Asia and Latin America, are typically imported under a provision of immigration law that allows foreign diplomats, embassy employees and officials of organizations such as the World Bank, International Mooetary Fund and United Nations to bring in personal household workers with the understanding that the employers will abide by U.S. labor laws. There is, however, virtually no oversight into whether they

The World Bank, the IMF and the United Nations say they cannot be expected to monitor their staff members' private lives. In any case, they say, few complaints have come to their attention.

Yer, over the years, hundreds of servants have run away from their employers to escape abusive treatment, excessive hours, low pay or no pay at all. Some have filed lawsuits in U.S. courts for back

wages and damages.

Their cases illustrate the exploitation being alleged in Washingtoo area homes: An Ethiopian woman who was brought to the United States in 1990 hy an IMF official says she toiled for more than eight years in a Silver Spring, Maryland, apartment until she escaped in May. She says her employers forced her to work seven days a week, isolated her from other people and hit her if she complained.

Another Ethiopian says she received no pay for more than six years of work in the Rockville, Maryland, home of an Ethiopian-born couple who arranged for her to come to the buried states on a couple with the couple of the coupl tourist visa. Sbe says her duties included caring for the couple's sick child on 24-hour call.

A nanny from the Philippines says three other Filipinos — her employers and a friend of theirs arranged to bring ber in fraudulently under a visa for servants of embassy employees, then put her to work in Fairfax, Virginia, for 41 cents an hour. For more than a year before she escaped, the nancy said, she had to work 16 hours a day and received only one day off during the entire period.

So far this decade, more than 30,000 domestics have been brought to the United States under special work visas. Many are treated equitably.

But among the others are some of the most exploited workers in the United States today, ac-

cording to social workers, church groops and lawyers who have dealt with their cases. Behind the



Yeshehareg Teferra's wages for over eight years of work amounted to less than 3 cents an hour.

An Ethiopian Woman's Ordeal

By William Branigin

TASHINGTON Eyes downcast, staring at hands roughened by a lifetime of housework, Yeshehareg Teferra describes in soft, matterof-fact tones the punishing conditions she says she endured as a "slave" in a Washington suburb.

The illiterate Ethiopian wom-

an, who speaks no English and is uncertain of her age, was brought to the United States eight years ago by a staff member of the International Monetary Fund to work as a maid in his apartment in Silver Spring, Maryland. Her employer, also from Ethiopia, promised in a contract with Miss Teferra to pay her \$235 a week, provide medical care and abide by U.S. labor laws.

Instead, Miss Teferra says, she received a total of \$1,060 for more than eight years of work averaging about 90 hours a week — pay that came to less than 3 cents an hour. She says she was never given a day off, was ordered not to talk to people outside the family and was slapped and choked when she

The slight, shy woman, whose elaborate neck and wrist tattoos evince her rural origins, finally ran away from her employer in May and was taken in by another

thiopian family. Aided by Mark Schaefer, a Washington lawyer who volun-teered to represent her, she filed suit in October in U.S. District Court in Maryland, seeking more than \$900,000 in back pay and

damages.

In his family's defense, the employer has argued that Miss

Teferra is owed nothing because she stayed as a "guest" in their home after he left the IMF in 1992 and her contract ran out,

"I was not their guest," Miss Teferra said quietly. "I was oot even their employee. I was their

The employer and his wife did oot respond to messages seeking comment for this article. After they were formally served with the lawsuit, they abruptly moved out of their apartment and disappeared. Mr. Schaefer said he would seek a default judgment against them, bot held out little hope of recovering any money for Miss Teferra. She cannot afford to hire an investigator to track down the couple and their assets, and such expenses are not covered in Mr. Schaefer's pro bono work for her.

closed doors of homes ranging from modest apartments in Silver Spring to mansions in McLean, Virginia, many foreign servants live in silent despair, toiling long hours for low wages but too fearful, isolated or insecure aboot what will happen to them to complain or break free, human rights

advocates and investigators say. In part, the servants are hostage to intimidation by their employers, lack of knowledge about where to turn for help and the restrictions of their visas, which bar them from working for anyone else.

ILL LANN LEE, acting assistant attorney general for civil rights and co-chairman of Ms. Reno's task force, said federal investigators were looking for abuses "that are so severe they rise to a level of involuntary servitude."

Investigators do oot yet know how widespread such abuses are, Mr. Lee added, but "there is anecdotal evidence that the problem may be larger than people have thought."

One FBI-led team is investigating a well-off Brazilian businessman and his wife who allegedly held an illiterate servant from their homeland in slave-like cooditions for 19 years while she worked in their suburban Maryland home.

 The servant, who is about 60, came to authorities' atteotion recently when she had to be hospitalized for treatment of a long-neglected stomach tumor. She told local social workers that she sometimes had to beg oeighbors for food and clothing and was regularly beaten by the wife. She said the couple told her that if she fled their home, she would be arrested immediately because she is hlack.

"They essentially preyed on her ignorance," a source familiar with the case said. U.S. officials declined to discuss the matter because it is still under investigation.

According to the State Department, about 3,800 domestic servants come to the United States each year under two types of temporary employment visas to work for foreign diplomats or oon-U.S. staff members of international organizations. The servants may be brought in from any country. About a quarter come from the Philippines.

Guidelines published by the World Bank and IMF say their staff members who wish to employ domestics—defined as ranging from builers, valets and maids to gardeners, grooms and chanffeurs—must pay at least the minimum wage, allow two days off a week, pay Social Security and Michael taxes, buy workers' compensation in surface and pay federal and state prescriptorment taxes. At the pay federal and state unemployment taxes. At the current minimum wage rates of \$6.15 an hour in Washington, and \$5.15 in Maryland and Virginia. domestics should receive \$1,066 a mooth for the standard 40-hour work week in the District of Columbia and \$892 a month in the soburbs.

"This all looks lovely on paper, but there's absolutely on monitoring" by the World Bank or IMF to insure that staff members meet their obligations, said Martha Honey, a fellow at the Institute for Policy Studies, a Washington think tank that is mobilizing a campaign to protect the do-

U.S. Remains Hobbled By Giant Snowstorm

NEW YORK -A storm that closed highways, businesses, schools and air-ports with waist-high snowdrifts in western New York added another six inches Tuesday and then began to weaken. But it left behind at least 89 deaths as it marched from the Plains across the Midwest into Ontario.

Airports around the United States were still having trouble accommoda-ting passengers Tuesday, even in areas where the storm had long since ended. Stranded passengers at Detroit Met-

ropolitan Airport received more bad news early Tuesday as Northwest Air-lines canceled about 100 flights because it had trouble getting crews in. A foot (30 centimeters) of snow was on the ground in Detroit.

A Northwest spokesman in Minne-apolis said the airline had canceled more

apons said the airtine had canceled more than 1,100 flights since Sanirday. Near Buffalo, New York, part of In-terstate 90 was closed Monday, and the last 60-mile stretch did not reopen until

Tuesday morning.

The arctic blast began during the weekend with up to 2 feet of snow in places in the Midwest, and plunged the eastern two-thirds of the natioo to record low temperatures.

Tuesday morning dawned as the cold-est on record in Illinois, with a reading of 36 degrees below zero Fahrenheit (minus 38 cendgrade) in Congerville, 120 miles southwest of Chicago. The state's pre-vious record of 35 below zero was set on Jan. 22, 1930, in Mount Carroll in north-

western Illinois.
Wind chills on the northern Plains measured 60 below zero.
Temperatures were in the teens across much of the South early Tuesday, with Meridian, Mississippi, hitting a record low for the date of 11 and New Orleans chilling to a record 20. Jackson, Tennessee, bad a low of 6.

With temperatures in the teens in upstate South Carolina, which suffered an ice storm over the weekend, about 54,000 customers still had no electricity

Many states struggled to clear roads on Monday as the workweek began. In Indiana, where up to 22 inches fell on the northern counties, plows created roadside snowbanks higher than cars. Legislative leaders postponed the be-ginning of their 1999 session until at least Wednesday because of the travel problems.

Thousands of children were among those enjoying the fringe benefits of the storm, as schools were closed for a second day Tuesday in some states.

Record Warmth In West Europe

PARIS - Much of West Europe basked Tuesday in spring tike weather with temperature climbing to record levels, but the unseasonable warmth raised con-cern among farmers and left six

resort owners praying for snow. The temperature in the Fread capital reached a record 16 degree capital reached a record to degrees centigrade (61 Fahrenheit) in the early afternoon, 10 degrees above. the normal nigh.

In southern France, the temper ature reached 23 degrees (The Fahrenheit) in some regions. In the Netherlands, a record 162 degrees (61 Fahrenheit) was registered in the south, the weather

service said. Record temperatures also were recorded in southern Germany at the degrees (61 Fahrenheit). Berlin reached a high of 14 (57 Fahren

heit). Ski resorts, however, were forced to offer customers other activities for lack of snow, and farmers and winemakers were fearful that the unseasonably mild weather would affect their crops.

TRAVEL UPDATE

Egypt Terrorist Alert

CAIRO (AFP) — The U.S. Embassy here warned Tuesday against possible attacks on U.S. targets in Egypt and urged Americans to be vigilant, main-tain a low profile and treat unfamil mail with suspicion.
"The U.S. Embassy in Cairo has re-

ceived reliable information that extremist elements may be planning imminent, unspecified attacks against U.S. interests in Egypt," it said.

A Hungarian rail strike over wage demands continued for a second day Tuesday, causing slight disruption on domestic and international services, management and unions said. (AFP)

May Co

Ash and cioders were seen coming out of Mount Etna on Sicily after intense activity was registered.

U.K.'s Big Mac Shortage Is No Small-Fry Deal

fast-food lovers sunk their teeth into a two-for-one promotion.

'We expected the current 25th anniversary Big Mac offer to be popular," the world's largest restaurant chain said in full-page ads in several British said. tabloids. "However, the unprecedented demand has resulted in stock shortages in some of our restaurants, for which we sincerely apologize."

Tabloids carried front-page reports of furious customers who left emptyhanded after descending on McDonald's restaurants in droves.

The Daily Star said "a near-riot erupted" in Leigh, oear Liverpool, when a group of executives "went berserk" after being denied their free Big Macs.

WEATHER

"They pulled the manager over the LONDON — McDonald's Corp. counter and were screaming blue apologized Tuesday for running out of its Big Mac hamburgers after British fast-food lovers sunk their teeth into a counter and were screaming blue murder at him," it quoted one customer as saying, "I rang the head office later, fast-food lovers sunk their teeth into a restaurants as they struggled to cope with the Big Mac frenzy.

The police were called in to control crowds at another restaurant, the Star

'Demand has been very high indeed and some restaurants have had to offer other products," said a McDonald's spokesman, Mike Love. "A few had to close for a short time to restock."

"On a oormal weekend, we would expect to sell 500,000 Big Macs. We projected demand at 2 million last weekend because of the offer and it has actually been 4 million."

The two-for-one promotioo is due to run until Sunday.

DEATH NOTICE

George W. Herald, his children Stefan and Patricia and all his family have deep chagrin in announcing the death of: Martie A. Herald (nee Dubois), who, at age 76, passed away in Paris on January 1st 1999 after a brief illness. Cremation will take place at Père Lachaise. 42, rue de la Bienfaisance, 75008 Paris

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More Than 200 Sierra Leone Rebels Reported Killed Near the Capital

FREETOWN, Sierra Leone — Nigerian-led troops killed more than 200 Sierra Leonean rebels in two days of fighting 17 kilometers east of Freetown, the capital, civilian witnesses said Tuesday.

They said the clashes began Sunday with an attack on the town of Hastings and theo spread to Jui, where Nigerian infantry troops are based. They are the leading part of an international peacekeeping force, known as Ecomog, that supports the Sierra Leonean

The peacekeeping force was reinforced by members of the pro-government villagebased militiamen calls kamajors, who are deployed in strength in Jui.
Witnesses said extensive bombardments by

the peacekeeping force cut deep into the ranks of the rebels, preventing them from retreating. Ecomog troops from Freetown intercepted fleeing civilians at a nearby junction and advised them to return home and remain in-

A witness said the rebels had split into two groups after the first attack at Hastings: One comprised renegade soldiers from the Sierra Leonean Army and the other insurgents who belong to the Revolutionary United Froot.

Hesvily armed troops and karnajor hunters are continuing to comb the surrounding hills, caves and the bush for rebels, the witnesses said.

The Nigerian-led force was expecting re-inforcements after promises from two countries that they would send in contingents shortly to help deal with the rebels.

State radio announced that a military delegation from Mali was due to arrive in the capital next week to meet with commanders of the intervention force.

For several months, Ecomog has made urgent pleas to West African neighbors of Sierra Leone to deliver on promises of military back-

"Our soldiers are soldiers of peace and they are ready to be by your side," President Alpha Oumar Konare of Mali said Monday after a meeting in Bamako with President Ahmad Tejan Kabbah of Sierra Leone. At an emergency meeting on Sierra Le-one's rebellion in Abidjan last week, the Eco-

nomic Community of West African States said Mali was ready to send 400 reinforcements and Gambia 100. After recent rebei attacks near Freeto about 5,000 Nigerian soldiers were sent in to bolster security. Nigerian reinforcements

deemed rebel targets. Meanwhile, a special United Nations envoy, Francis Okello, toured the eastern and southern cities of Kenema and Bo on Monday to assess security following the evacuation last week of UN military observers from the area.

have been deployed in other areas that are



North America

Dry and chilly in New York
City and Washington D.C.
Thursday and Friday, then
ruling a chance for
rain Saturday. Chicago,
Detroit and Toronto may
colder. There will be some
have more smow, but nothing files the pest weekend.
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THE AMERICAS

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6 Cab . 34 September 1 MATERIAL TOTAL

The secret meetings represent a sharp change in U.S. policy toward the hemisphere's longest-running in-surgency. They were held for two days in San Juan, Costa Rica, between mid-level State Department officials and senior leaders of the Revolutionary Armed Forces of Colombia.

By Douglas Farah

New York Times Service

first face-to-face meetings by

American officials with lead-

ers of Colombia's largest

the nascent peace process, ac-

cording to Colombian and

U.S. officials.

Washington bas officially egarded the group as a terhorist organization that makes much of its money from protecting drug traffickers and from kidnapping and extor-

Among people possibly be-

ing beld captive by the group process were successful and are three American mission-1994 and remain unaccounted for The State Department had said previously that it would ed in the Colombian press

of an effort to breathe life into to their families. "One of our primary reasons for holding the meetings was to press them on the Americans," a State Department official said. "We de-talks in the remote town of cided it was better to talk to San Vicente del Caguan. them and lay out our position than to have to contact. They understand we will have serious problems with them if they don't give us answers on

the kidnapped Americans." The other major problem is the rebel group's long-standing practice of protecting cocaine and beroin laboratories, a role that earns the group

millions of dollars a year. Sources said the rebels acknowledged some participa-

the Colombian government areas under guerrilla control.

U.S. Met Secretly With Colombia Rebels

to become a celebrity, too.

Ouote/Unquote

not talk to the rebels until the over the weekend as the govmissionaries were released or ernment of President Andres tion late last month were part their bodies were turned over Pastrana struggled to build support for its peace initiative with the guerfillas. On Thursday, Mr. Pastrana and the rebel high command are scheduled to begin peace

> Earlier talks have produced few results, and over the past two years the rebel group has almost doubled in size, to 15,000, bought new weapons and communications gear and dealt the Colombian army a

number of defeats.

To induce the rebels to talk. Mr. Pastrana took the conproversial step of withdrawing all government forces from an area the size of Switzerland to create a detion in the drug trade but militarized zone in which the promised to end it if the peace rebel leaders would feel safe.

spokesman, James Rubin, said aries who were kidnapped in channeled development aid to the group's designation as a from talking to the insurgents "or any other foreign terrorist organization if we determine that such a meeting is concluding bringing an end to

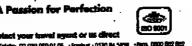
terrorist organization did not preclude the United States sistent with our interests, inconflict and to the terrorist at-tacks that accompany it."

Colombia's long-running civil low the FAA to phase out its

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THE BOSPHORUS A Passion for Perfection



Texas and son of former President George Bush, is considered to be one of the strongest potential Republican can-

becomes an immediate top-tier candi-

George W. Bush, the governor of

date along with Governor Bush."

band's three national campaigns, appealed to various potential constituen-"There's no question she can raise the money," Ms. DiVall said. "She's raised \$3.5 billion for the Red Cross. cies, including Christian conservatives. the party establishment and some members of the business community.

Some of her close associates said that And many women will want to be involved in this effort."

An Instant Top-Tier Prospect Shakes Up 2000 Race

posts in Republican administrations.

would enter the presidential campaign

They noted that Mrs. Dole, who

gained political experience in ber bus-

president, she would have unique ap-

was ready to give serious consideration

to a woman running for president, Mrs. Dole said, "Yes, I do."

A Democratic pollster, Celinda Lake.

said: "I think she'd be formidable. The

battleground in 2000 is going to be

women voters. Not many people no-

ticed it, but in the last election, Re-

publicans reduced the gender gap by

picking up support among married moms and suburban women. And she

will have tremendous appeal to those

who met with Mrs. Dole after ber an-

nouncement, said that she was "not

involved" professionally in any way

but that Mrs. Dole's actions Monday

had made it very clear that she was ready

"She changes the entire dynamics of the primary." Ms. DiVall said. "She

Linda DiVall, a Republican pollster

kinds of women."

to run for president.

in the top tier of Republican candidates,

if she decides to run.

But other Republican analysts said as the first serious female candidate for that Mrs. Dole would face significant peal. Asked if she thought the country obstacles. She could not count on support from many of the party leaders and activists who supported her busband, is behind others in putting together organizations in the first states that select delegates to the party's nominating convention, such as Iowa and New Hampshire, and has to establish a clearer political identity

> Until now, Mrs. Dole has been seen more as a prospective vice presidential candidate in 2000, and some analysts said they believed that still might be her ultimate goal. But associates of Mrs. Dole said she would run to win the presidential nomination if she decided to become a candidate.

Mrs. Dole's departure from the Red Cross came hours before Senator Robert Smith of New Hampshire became the first Republican to file a formal presidential campaign committee, by-passing the initial step of an exploratory

committee. "Americans want character and integrity from their leaders," said Mr. Smith, who is considered a longshot candidate.

With others readying their presidential campaigns, analysts and strategists agreed Monday that a Dole candidacy would scramble expectations about the contest for the Republican nomination. But they differed on who might be burt

the most if she runs.

Some said that Mr. Bush, who has been the clear leader in early polls, would feel the impact immediately because Mr. Dolc also brings a wellknown name and some celebrity appeal

to the contest. Others said sucb Republican bopefuls as the magazine publisher Steve Forbes, former Vice President Dan Quayle, Senator John McCain of Arizona and former Governor Lamas Alexander of Tennessee, who will establish an exploratory commince on Friday, would be affected more by her entry.

■ Missouri Senator to Stay Out

Senator John Ashcroft, Republican of Missouri, a favorite of Christian conservatives who spent much of 1998 pre-paring a White House bid, said Tuesday that he would not after all run for the presidency in 2000, Reuters reported from Springfield, Missouri.

In a speech to supporters, Mr. Ashcroft said be would instead seek reelection to the Senate in 2000.

First Tobacco, Now Guns: Lawyers Reset Sights

By David Segal Washington Post Service

WASHINGTON — For the past four years, a team of about 60 American law firms bas rented a suite of offices in central New Orleans and made it the headquarters for a legal assault against he tobacco industry. Last week, the bffices got a makeover for a new fight

- this time against the gun industry. Deploying the same tactics it brought to the tobacco wars, the legal collective known as the Castano Group is reaiming its sights, hoping to earn millions in fees by suing gunmakers on behalf of cities

across the United States. The Castano Group is the brainchild of Wendell Ganthier, a lawyer specializing in mass injury cases who made the first of several fortunes representing victims of hotel fires and plane

In 1994, he persuaded a group of 60 firms to contribute \$100,000 each to finance a war room to coordinate lawsuits against the tobacco industry. The suits were based on the then-novel the-

ory that the cigarette companies should

Democratic Lock on California

LOS ANGELES — A new era in California politics has

started as Gray Davis, a veteran state official known for being more bland than bold, took the oath to be governor

and became the first Democrat in 16 years to bold the

and became the first Democrat in 10 years to be in mationally influential office.

In an inaugural that reflected his tempered, no-frills political style, Mr. Davis pledged foremost to revitalize the state's public schools, which were once the envy of the nation. He also vowed to lead California past the emotional

battles over affirmative action and immigration that have riven the state, saying, "You can finally bring down the curtain on the politics of division." The remark drew a contain on the politics of division.

standing ovation and was clearly aimed at the man be is

replacing, Pete Wilson, a two-term Republican.
"I pledge to you an administration that is at once tough-minded and big-hearted," Mr. Davis said in his address, broadcast live across the state Monday. "We will restore a

sense of decency and compassion to government."

Mr. Davis, 56, is taking office with advantages many

other elected officials wish they bad: His easy victory in

November over Dan Langren, the state attorney general,

gives him a strong mandate. His party now controls both bonses of the California legislature and virtually all other

top elected offices in the state, a sweep unseen bere since

the late 1950s. The Californian economy is in good shape, and Mr. Davis has great support among Latino voters, the

Mrs. Ventura, Reluctant Celebrity

ST. PAUL, Minnesota — There is, of course, the matter of the silverware. What would happen, frets the wife of the new governor of Minnesota, "if there is some queen and

fastest-growing segment of the state electorate.

pay for the cost incurred by smokers to

Elizabeth Dole giving a farewell after she resigned as Red Cross president.

treat their addiction. Mr. Gauthier is now asking the same group and other firms to contribute another \$100,000 for the gnn litigation. About 40 firms have accepted so far, and others are expected to join soon, said John Coale, a Washington lawyer

who is part of the group. Gun manufacturers, meanwhile, are on the verge of hiring corporate defense firms capable of fending off a carefully orchestrated legal attack on a national

The virtually inevitable brawl over the gun business will very likely feature many of the same combatants and strategies that figured in the epic confrontation over tobacco.

"It's uncanny," said Stanley Chesley, a Cincinnati lawyer who is part of the Castano Group, "but we just keep running into the same people in this

In October, New Orleans became the first city to file a suit against gunmakers, demanding redress for the cost of responding to shootings and alleging that companies such as Glock Inc. and Smith

POLITICAL NOTES

& Wesson Corp. failed to install safety devices that would prevent children and

and David S. Broder

Washington Past Service

WASHINGTON - Elizabeth Dole

has signaled interest in a presidential

candidacy in 2000, and political ana-

lysts say her decision could reshape the

contest for the Republican nomination.

mission field, but I believe there may be other duties yet to fill," Mrs. Dole told employees Monday as she stepped down

as president of the American Red Cross.

insisted, "I have not made a decision."

practicalities of seeking the presidency

with "the many people who have urged

Close associates said there was a

strong chance that Mrs. Dole, the wife

of former Senator Bob Dole, the 1996

Republican nominee for president, would establish a presidential explor-

atory committee within the next several

weeks, and they predicted that it would lead to a full-fledged candidacy.

from the Red Cross was dictated in part

by the enormous fund-raising demands

involved in a presidential campaign and

the realization that she most start soon to

said Mrs. Dole, 62, a Harvard Law

School graduate who held two cabinet

Republican and Democratic analysts

They said the timing of her departure

me to run."

be competitive.

In an interview after her speech, she

But she said she would explore the

The Red Cross has been a glorious

unauthorized users from firing guns. Lawyers from the Castano Group, which takes its name from an early tobacco plaintiff, are handling the case on behalf of the city.

Chicago followed with its own suit in November, offering other liability theories, and more cities are expected to file soon. A variety of private actions are in the works as well.

For critics of the cigarette settlement, the tobacco lawyers' new onslanght fulfills an unhappy propbecy. Well before cigarette makers agreed in November to pay more than \$200 billion over 25 vears to settle lawsuits brought by state attorneys general, Wall Street analysts and others predicted that the money ultimately would fund new lunges at other industries.

The Castano team has yet to profit from the tobacco litigation, because it was not party to the actions by the attorneys general and its private class actions are still pending. Still, Castano lawyers such as Mr. Coale expect a tobacco payday and are unabashed about

king of Sweden who come here? How do you address these people? What fork or knife do I pick up first?"

It is a potential society page scandal, a first lady faux pas of the first degree, and Terry Ventura knows it.

But it has been part of the baggage as ber husband, Jesse (The Body) Ventura, the former professional wrestler, has

become the most unlikely political star in America. Mr. Ventura was sworn in Monday as the 37th governor of

Minnesota. In the days leading up to the inauguration, his wife was busy trying to calm ber butterflies.

"Basically, I have just been treading water to make sure I don't drown for the last two months," she said before the

inauguration. To a television interviewer, she said: "I'll be

It is not that she does not appreciate the fact that ber

busband, a man whose early career involved wearing a pink

feather boa and butting beads with Hulk Hogan, managed to

npend the stalwart Republican and Democratic candidates

with his raucous third-party insurgency. It is just that this extraordinary chapter in her busband's celebrity forces her

"Somehow, our victory turned into this giant Franken-stein monster rampaging through the village," Mrs. Ven-tura said. "My phone is ringing off the hook. They have all

these expectations. They want me to give speeches. Well, the last time I gave a speech I was at my sister's wedding. I was the maid of honor, and I said: 'Congratulations. Have a

Vice President Al Gore on bureaucratese: "If we took the

same approach to Christmas songs that we take to the language of federal rules and regulations, instead of 'Silent Night,' we'd be singing about 'noise-mitigated post-day-light time intervals.' '' (LAT)

the one tripping down the stairs in ber formal gown."

what they will do with the money. "People kept saying that we would go after the alcobol or fast-food in-dustries next," Mr. Coale said. "But

we'd never do that. We enjoy liquor and meat too much." Meanwhile, several lawyers who scored big in the suits filed by the attorneys general are eyeing the gun issue. For instance, Robert Kerrigan's eightperson firm in Pensacola, Florida, pocketed \$200 million for its work on the tobacco settlement — part of a record-sening \$3.4 billion in fees shared by several Florida law firms. He and his partners were now considering whether to sue gunmakers.

"I know the business community considers as a bunch of vultures who just got done with one corpse and are looking for another," Mr. Kerrigan said. "But the truth is that tobacco had to pay in no small measure because of what we did."

Whether the gun litigation turns out to be the next legal gold rush is an open question. Gunmakers are not nearly as wealthy as the cigarette makers, taking in about \$3 billion to \$4 billion a year, a small fraction of the big tobacco compa-

nies' yearly revenue. Bob Ricker of the American Shooting Sports Council, a trade association for gunmakers, vowed that his members would not be intimidated into an out-ofcourt settlement, regardless of bow many cities line up against them. "We'll be able to show that what these lawyers are actually after is money," he said.

Surgery With Magnets

New Technique Allows Doctors to Manipulate Instruments and Dispense With Use of Needles

By Holcomb B. Noble

NEW YORK - A team led by a Missouri neurosurgeon has performed the first surgery on a human using superconducting magnets to direct a surgical instrument into the brain.

The technique allows surgeons to move around corners or on a curved path, to reach and perform a biopsy on a tumor, and eliminates the past requirement - and danger - of pushing a needle through important areas of the brain.

Dr. Ralph Dacey, head of neurosur-gery at Washington University School of Medicine in St. Louis, said the new magnetic-surgery system is less invasive and sbould prove safer than traditional methods. It combines several high-technology devices computers, magnetic resonance imaging (MRI), live X-rays, and small superconducting magnets to place surgical instruments or medication in precisely the right spot without disturbing sensitive areas nearby.

Specialists said the system raised the potential of developing a variety of new medical treatments for illnesses like Parkinson's disease and other motor disorders centered in the brain, cancer there and elsewhere in the body, and heart disease.

Until now, though surgeons have been able to use images of the brain to locate a tumor, they have generally had to push a needle manually toward a tumor through whatever vital sec-

tion lay in the pathway. With the aid of a series of MRI images of the patient's brain, Dr. Dacey and bis team mapped out the least invasive route to the tumor and created computerized instructions that would direct a sharp plastic surgical instrument to the right place. The team then placed the patient's bead inside a frame and within three

sets of the superconducting magnets. Dr. Dacey drilled an opening through the patient's skull to the edge of the brain. Sitting at the computer console, he instructed the magnetic system to move a plastic catheter, somewhat narrower than a straw, into the brain. Another, tiny magnet was inside the catheter.

Preprogrammed electronic impulses from the computer set up a sequence of magnetic fields around the head to guide the tiny magnet on course to the tumor.

When the catheter reached the tumor, he gently pulled it with the guidewire, leaving the hollow catheter in place. Then, be moved the surgical tool in through the catheter to cut out tissue samples from the tumor.

Away From Politics

 The Nevada state police arrested a man they believe is the sniper who fired Monday at vehicles on Interstate 80 between Reno and the California state line, wounding one man.

 The death of a woman whose son is charged in the fatal beating of a homosexual college student is being investigated as a possible murder, authorities in Laramie, Wyoming, said.

Preliminary autopsy results revealed that Cindy Thompson Dixon, whose body was found on a road near Laramie, died of bypothermia. Mrs. Dixon, 40, was the mother of Russell Henderson, who is awaiting trial in the Oct. 7 beating of Matthew Shepard, who later died. (AP)

• FBI agents rescued the son of a wealthy Taiwanese businessman who was kidnapped Dec. 15 and beld for \$1.5 million ransom. Kuan Nan Chen, 17, was found in a house near his home in San Marino, California.

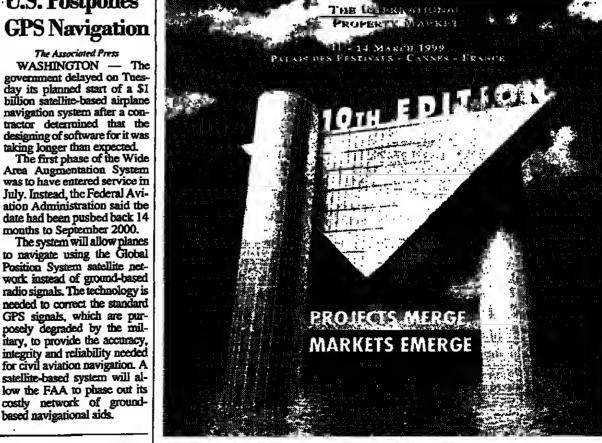
• The U.S. Department of Agriculture bas agreed to pay bundreds of millions of dollars to settle a lawsuit brought by thousands of black farmers wbo say the department discriminated against them by denying them loans and other subsidies.

U.S. Postpones **GPS Navigation**

The Associated Press
WASHINGTON — The government delayed on Tues-day its planned start of a \$1 billion satellite-based airplane navigation system after a contractor determined that the

taking longer than expected.
The first phase of the Wide Area Augmentation System was to have entered service in July. Instead, the Federal Aviation Administration said the date had been pushed back 14

months to September 2000. The system will allow planes to navigate using the Global Position System satellite network instead of ground-based radio signals. The technology is needed to correct the standard GPS signals, which are purposely degraded by the military, to provide the accuracy, integrity and reliability needed for civil aviation navigation. A satellite-based system will alcostly network of groundbased navigational aids.



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Bonn Cries 'Slander' On Citizenship Reform

Fight Shapes Up Around Opposition Petition

BERLIN — Pledging not to be de-terred by opposition "slander," the government announced Tuesday that it would counter a petition drive against its planned citizenship law reforms with an information campaign of its own.

"We're sticking with our intention and think that the law will be all ready by summer," said Cornelie Sonntag-Wolgast, parliamentary state secretary in the Interior Ministry. An Interior Ministry spokeswoman, Kerstin Kiessler, said a first draft of the leg-islation had been completed and would

An Interfaith Group Set to Meet in Paris **Leaves Catholics Out**

PARIS - Christian and Jewish religious leaders in France are due to at-

tend a singular interfaith meeting at the central Paris mosque next month, a senior Islamic official said Tuesday.

The image of clerical harmony was tamished, however, when the Protestant minister due to attend the talks said ties were strained between his church and Roman Catholics, France's majority religion whose representatives were not invited.

"This will be the first structured meeting of its kind," said Hocine Rais, who is responsible for cultural affairs at

French Muslim leaders have stiended interfaith meetings before, but Mr. Rais said the mosque did not traditionally organize functions on the premises involving non-Muslims. He said the move demonstrated the desire of French Muslim leaders to have dialogue with clerics of other religions.

"The prophet Mohammed invited Christians to pray with him in his day, and we all descend from our common father, Abraham," Mr. Rais said.

Islam is France's second most popular religion after Catholicism, practiced by more than 5 million Muslims, many of whom emigrated from northern

The clerics said they would hold six debates on the Bible and the Koran in a Protestant church, a Jewish synagogue and the main Paris mosque,

Asked why no Catholics would take part in the debates, a Protestant minister. Alain Houziaux, hinted that a theological dispute had cooled relations between the churches. "This is a debate between Christians, Muslims and Jews," he said. "I represent the Christians."

Rabbi Daniel Farhi suggested that Catholic priests prominent in existing interfaith dialogues should be invited. Over 80 percent of France's 60 million inhabitants are nominally Catholic. There are about 2 million Protestants

be taken up early this year by the cab-Miss Sonntag-Wolgast accused the conservative parties, which moved into the opposition with the September elec-tion of Chancellor Gerhard Schroeder, of "slander" for suggesting that mak-ing it easier for foreigners to obtain

or it easier for foreigners to obtain German citizenship would lead to more violence and terrorism in Germany.

"There will be a majority among the public if we argue properly and don't indulge in a form of scare-mongering," she said in an interview with Sned-

westfunk broadcasting.
Jewish officials in Germany accused conservatives on Tuesday of whipping

up racist sentiment. Michel Friedman, a leader of the Central Council of Jews in Germany, said the Christian Democrats were acting in

a reckless manner by preparing a pe-tition drive against the plan "There is an extraordinary danger

with this," he said in an interview with

the Berlin newspaper Tagesspiegel.
"It's populist and it's politically irresponsible," be said in an excerpt, made public before publication Wednesday." nesday. "It's going to awaken voices in this country that we don't want."

The government plans to relax na-tionality law, which is based on bloodline, not place of birth, to make it easier for foreigners to become Germans and still keep their original citizenship. But many conservatives contend that

the revision would give special privileges to foreigners and could lead to potentially dangerous divided loyalties. The chairman of the opposition Christian Democratic Union, Wolfgang Schaeuble said on German television Monday night that dual citizenship would endanger the integration of foreigners in Germany, not promote it. Also, he said, it would lead to con-

siderably greater immigration.

Marieluise Beck, the government's commissioner for foreigner affairs, attacked the planners of the petition campaign, which is to begin on Jan. 24. They are clearly not above unsettling

and whipping up the public," she said. The commissioner accused the Christian Democrats and their Bavarian allies, the Christian Social Union, of trying to incite the public against the reforms to raise their own profile.

She said the government would counter with a campaign explaining the proposed revision of the law.

Foreign Minister Joschka Fischer accused the conservatives of "carrying out a power struggle on the backs of foreign fellow residents." - Even some Christian Democrats crit-

icized the conservatives' petition plan. The chairman of the party's social policy committee, Rainer Eppelmann, told the Berliner Zeitung newspaper that a petition drive would make sense only if it led to a broad and substantive debate. He added he hoped "that along with that emotions will be kept in



French soldiers distributing kerosene near Sarajevo to heat a refugee center for ethnic Albanians from Kosovo.

KOSOVO: NATO General Says War Is Near

Continued from Page 1

the political talks on antonomy for Kosovo, where ethnic Albanians make up 90 percent of the population. In effect, he said that the burden now was on the Serbs to devise reassurances capable of inducing the ethnic Albanians to take a chance on autonomy rather than fight on for independence.

His unusually blunt accusations about Serbian behavior, which he might have muffled to protect his relations with Mr. Milosevic, appeared intended to dispel any impressions that both sides were more or less equally to blame for the deteriorating climate in Kosovo.

Acknowledging that separatist guerrillas have also been on the offensive, General Clark said, "You have to look at the problem in its entirety, meaning that 10 years ago when Belgrade took away their autonomy, that plunged the place into a cycle of repression breeding resistance and being met with vastly excessive reaction" by Serbian forces.

Since NATO has no mandate for action against the Kosovo Liberation Army of ethnic Albanian separatists, General Clark's comments were obviously directed at Belgrade. He left the impression that Serbia risks losing its authority completely if its continued use of force undermines the prospects for a compromise based on autonomy.

Without directly threatening air strikes, General Clark said that NATO had made military preparations designed to ensure that Kosovo did not return to what he called "the village burning" and other acts of large-scale violence that marked a Serbian military offensive last year.

But s U.S. plan offering Kosovo autonomy — what another U.S. official described as "demonstrable self-government" similar to that enjoyed by Montenegro, which is also part of Serbia - seems so far to be going nowhere because it falls short of what Kosovar

separatists want and concedes too much to be acceptable to Belgrade hard-liners. Momentum on this core issue cannot be expected to emerge from the efforts of monitors sent by the Organization for Security and Cooperation in Europe, who provide what General Clark called tactical mediation and much greater visibility into specific situations.

The monitors opened an investigation Tuesday into a possible mass grave near Urosevac, about 30 kilometers (18 miles) south of the regional capital, Pristina. It was described by an organization spokesman as "allegedly containing the bodies of 11 women and children who were apparently killed in

Separatists have said that the victims ere ethnic Albanians killed by Serbs. In coming months, the unarmed veri-fiers could find themselves at risk, and General Clark underlined NATO's determination to protect them - initially, with a 2,000-strong extraction force com-

manded and largely manned by France. Belgrade has warned that any rescue mission will be treated as an invasion, causing some concern in Paris that NATO's involvement in Kosovo might draw French troops into battle against the Serbs, long allies of Paris, General Clark visited Paris on Mon-

day to reassure Defense Minister Alain Richard that the extraction force was meant to handle rescues, not a major assault - for which NATO would launch its own countermeasures.

French officials said that General Clark also used his trip to take issue with remarks last week in which Mr. Richard blamed the Kosovo Liberation Army for destabilizing the province. France has been more reluctant than the United States or Britain to confront Mr. Milosevic over Kosovo.



General Wesley Clark, the supreme allied commander in Europe.

A new tone emerged in the Paris talks, a French official said, in which the Milosevic regime was characterized as "the instability machine in Belgrade."

Attitudes toward Mr. Milosevic appear to be altering fundamentally in both Washington and London, where "he used to be seen as disagreeable but useful in getting things done and now he is seen as the source of all the problems," according to Jonathan Eyal, research director at the Royal United Services Institute in London.

The view that U.S. efforts should be focused on isolating Mr. Milosevic and funneling help to his opponents in Serbia and elsewhere has become "widespread, but not yet a consensus" in the Clinton administration, a State Department official said Tuesday by phone.

But, sounding skeptical about the im-

minence of a real shift in U.S. policy, Morton Abramowitz, a former State Department official, said: "So far, I think it's mostly rhetoric to disguise our frus-

BRIEFLY

Politician Targeted For Aiding Terrorist

FRANKFURT - Prosecutors on Tuesday said they wanted to ask the European Parliament to lift the immunity of a German member after his admission that he had helped a terrorist suspect hide out for years in France.

Job Tilmann, a Frankfurt prosecutor, said his office first had to interview the terrorist suspect Hans-Joachim Klein, about who had helped him flee the country and hide before requesting that Daniel Cohn-Bendit's immunity be lifted

Mr. Klein was arrested in France in September, and Mr. Tilmann said an official response to Germany's request for extradition should come soon.

Mr. Klein is wanted in connec-tion with the 1975 OPEC conference attack in Vienna in which 70 people were taken hostage and three people killed. Orders for the attack are believed to have come from the Cold War terrorist Ilich Ramirez Sanchez, known as Carlos, who is now in a French jail serving a life term for a triple murder in another case. murder in another case.

After Mr. Klein's arrest, Mr. Cohn-Bendit, a prominent Greens party member in Frankfurt, publicly admitted having known of his whereabouts. He said that he and others had provided Mr. Klein financial support because Mr. Klein had renounced terrorism years. (AP)

Yeltsin Planning State Visit to Paris

PARIS - President Boris Yeltsin of Russia will come to France on Jan. 28 for a two-day visit, the French Foreign Ministry

said Tuesday.

The trip will be Mr. Yeltsin's first state visit abroad since he. began experiencing serious health problems in Kazakhstan two months ago. He was rushed back to Moscow and has since canceled several overseas trips.

Serb Designate Lacks Support

BANJA LUKA; Bosnia - The prime minister-designate of Bosnia's Serb republic suffered a setback Tuesday when leaders of the Western-leaning Sloga coalition refused to support him.

The ontcome of a meeting between presidents of the three main Sloga parties makes it increasingly unlikely that Brano Miljus will win sufficient parliamentary backing to form a new government in the Serb entity following elections in September, analysts said. (Reuters)

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New Year Coming with a New Message of Invincibility to Every Nation

His Holiness Maharishi Mahesh Yogi who introduced Transcendental Meditation to the world forty years ago, and opened the gateway of enlightenment to millions of people, is now bringing invincibility to every nation and perpetual peace to the world family through membership in his Global Administration through Natural Law.

Iraq Conflict Raises An Alarm for Every Nation

The Council of Supreme Intelligence of Maharishi's Global Administration through Natural Law is raising an alarm: a conflict like that between Iraq and the United States and United Kingdom can happen to any nation at any time. Any nation at any time could try to destroy any other nation, and the United Nations will be powerless to resolve the situation. And it is possible for even a small nation to become a thorn for the whole family of

Situations like that in Iraq have happened before and they will bappen again. We therefore propose that every government should take steps to prevent the birth of any enemy to their nation and be free from fear by raising their nation to invincibility.

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To achieve this goal, the Council of Supreme Intelligence is

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Experts in Yogic Flying To Create an Integrated, Invincible National Consciousness

The United Nations charges every government money to be a member. Memhership in Maharishi's Global Administration through Natural Law is not through paying a membership fee, but is through creating integrated national consciousness by establishing a group or groups of Yogic Flyers. These groups of Yogic Flyers will maintain coherence in collective consciousness disallowing any neighbour or distant country to become poison-

This approach is very simple to implement and can be achieved within four months. A group of Yogic Flyers has the ability to enliven the sup-

ous to the nation.

inviting every country to be- This effect can be created by a

port of the invincible power of Natural Law for the nation, and avert the birth of an enemy.

group ranging in size from 100 Yogic Flyers for the smallest countries up to 7000 Yogic Flyers for the world's largest

This approach to attaining invincibility is supported by the most recent discoveries in modern science such as the fundamental insights gained in Unified Quantum Field Theory. It has also been consistently verified by scientific researchmore than 40 studies to date documenting the effectiveness of this approach to invincibility through Natural Law.

Taking Recourse to Higher Intelligence

Why do the UN's efforts always fail, as in the present conflict in Iraq? Because they do not have the support of higher intelligence, so whatever is done on the level of human intelligence does not display the total nourishing power of Natural Law and therefore results are not long lasting.

The present situation in Iraq should be an alarm for every country. Every nation should follow the maxim: 'Avert the danger which has not yet

The way to accomplish this is to take recourse to higher intelligence-the holistic intelligence of Natural Law-by establishing a group of experts in Yogic Flying in any area of so-

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one else-and the result will

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Law through which all nations

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family of nations.

be perpetual world peace.

Congo Rebels End Squabbles, They Say

GOMA, Democratic Republic of the

Congo — The main rebel group fighting to overthrow President Laurent Kabila said Tuesday that it had patched up its internal differences and would now concentrate on winning the war. Ernest Wamba dia Wamba, president

of the Congolese Rally for Democracy, said his group had resolved its rifts after meeting with officials from its allies, Rwanda and Uganda. "The errors which were made are in

the process of being corrected," he said after the talks in the Rwandan capital,

Rebel officials have recently reported divisions in their group, culminating in a New Year's Eve broadcast by Mr. dia

Border Gunmen Kill 4 Russian Policemen

The Associated Press MOSCOW - Four Russian policemen were killed Tuesday by unidentified gunmen near the breakaway re-

public of Chechnya, officials said. The officers were killed in Ingushetia, near the border with Chechnya where the assailants fled after the attack police officials said, according to Russian news agencies.

Since the end of a 1994-96 indendence war with Russia, Chechnya has remained restive, roamed by nnmerous gangs involved in kidnapping and other crime. Violence has often spilled into neighboring Russian re-

In other developments, anthorities in Chechnya arrested a group of militants suspected of carrying out a wave of kidnappings, a news agency reported

The 12 suspects were arrested Monday night. Policemen also seized nurous weapons and ammunition, the Itar-Tass news agency reported.

Sharpndi Tasuyev, a deputy chief of Chechnya's anti-abduction squad, said the arrested men had allegedly kidnapped a 13-year old boy in the Chechen capital, Grozny. The boy is still missing

The government of President Aslan Maskhadov has failed to stem a wave of kidnappings and other crime that has swept Chechnya since Russian troops withdrew in the fall of 1996.

Wamba being cut short by rivals after he differences, saying that the party would said the group risked being taken hos-tage hy the 'selfish ends of power for power's sake."

INTERNATIONAL

"The misunderstanding has been cleared, and we are going to resume as usual, confidently, and keep battling as before," Mr. dia Wamba said.

The Congolese Rally for Democracy began its rebellion in August and has made sweeping gains in the east of the

Officials say the movement is split between the founders and those who have come forward more recently, and also between former allies of Mr. Kabila and those who backed Mobutu Sese Seko, whom Mr. Kabila deposed in 1997. But Mr. dia Wamba played down the

eastern town of Goma on Wednesday and that the decision-making body was likely to reshuffle its leadership and expand its base. Mr. Kabila has failed to end the

bellion despite assistance from Angola, Zimbabwe, Chad and Namibia.

On Monday, a military spokesman, Leon Kasonga, said government troops and their allies had retaken the Lake Tanganyika port of Moba, the eastern town of Nyunzu and the northwestern town of Businga in a major push against rebel forces. But Mr. dia Wamba and rebel commanders in Goma refuted the claims, although they have acknowl-

BRIEFLY

Kenyan Is Suspect In Tourist's Murder

NAIROBI - A second suspect was charged Tuesday with the murder of a British tourist, Julie Ward, in a southwestern Kenyan wildlife sanc-

tuary a decade ago.

David Kadula ole Nchoko, 28, a former cleak at the Masai Mara Game Reserve, was charged with murdering Miss Ward, 28, in September 1988. Chief Magistrate Peter Mugo said Mr. Nchoko was not required to enter

a plea because the attorney general's

office had yet to authorize the start of

the trial. The case was adjourned until If convicted, Mr. Nchoko, who was arrested Dec. 28, faces the death pen-

alty by hanging. Simon Makallah, 49, a former chief warden at Masai Mara at the time of Miss Ward's death, has also been charged with her murder.

Last month, Judge Daniel Agan-

yanya of the High Court postponed the start of Mr. Makallah's trial until Feb. 4, without giving any reason. Two park rangers were charged with Miss Ward's murder in 1992 but acquitted by a judge who also criticized the police for a flawed investigation. Mr. Makallah and Mr. Nchoko were prosecution witness

Uganda Police Chief Resigns Over Inquiry

in the latest in a series of corruption scandals wracking the government, a newspaper report said Tuesday. John Cossy Odomel announced his resignation during a New Year's party he threw for his officers, ac-

KAMPALA, Uganda — Uganda's

chief of police has resigned over al-

cording to a deputy police spokes-man, Eric Naigambi. Mr. Naigambi declined to comment on newspaper reports that Mr. Odomel, who also served as inspector-general, had stepped down over a government investigation into allegations of corruption, including claims that he had used his position as police chief to win supply contracts

for companies that he controls. On Tuesday, the government-owned New Vision newspaper cited an inspector-general's report probing

Mr. Odomel's earnings. The report — which charged that Mr. Odomel "spearheads corruption in the police force" — said he had used police funds to set up companie and acquire contracts. It also said he used materials from the police construction department to build several large mansions around the country.
(AP)

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ASIA/PACIFIC Police Beat Anwar, Malaysia Says, but Culprits Are Mystery

By Thomas Fuller International Herald Tribune

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Consideration Bar

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KUALA LUMPUR - The Malaysian government said Tuesday in a report on the beating of Anwar Ibrahim that the police caused certain wounds to the former deputy prime minister. But it said that a three-month investigation had failed to identify the people responsible.

Mr. Anwar's lawyers and the head of the leading opposition party said the failure to find the culprits was "scandalous."

Mr. Anwar was beaten while in police custody in September after being arrested under the country's internal-security laws. At the time, he told a judge that be was blindfolded and beaten until

'blood seeped down my nose." Malaysia's attorney general, Mohtar

Abdullah, said in a statement issued to the Bernama, the national news agency, that the police were "fully responsible" happened to someone when he was detailed at police headquarters. People that the police were "fully responsible" happened to someone when he was detailed at police headquarters. People going in and out of cells are recorded." that the police were "fully responsible" for the injuries to Mr. Anwar.

'Nevertheless," he added, "the investigations which have been carried out so far have not identified the person or persons responsible for such injuries."

Lim Kit Siang, head of the leading opposition party in Parliament, the Democratic Action Party, called on the government to take the investigation ont of the hands of the police "to prove to Malaysians and the world that there

would be no cover-up."

The attorney general said that the investigation would continue but that from the evidence obtained so far," the government did not have a case.

Kamar Ainiah Kamaruzaman, one of Mr. Anwar's lawyers, said: "It's highly of the brutalities."

The question uppermost in every-

She added: "Someone is responsible. We believe this has gone on for too

long."

The attorney general said the investigation into Mr. Anwar's beating involved 67 witnesses, including three doctors, Mr. Anwar himself and dozens of police officers.

The inquiry was led by Mat Zain Ibrahim, who was then head of the criminal investigation department in the provincial city of Malacca. Mr. Mat Zain has since been pro-

national news agency said Tuesday. Mr. Lim, the opposition leader, called for the "swiftest public accountability

moted to the same post in the capital, the

the country, cannot get justice when arrested by the police, how can any ordinary Malaysian expect justice when they run afoul of the law?" he said.

Mr. Anwar's beating convulsed Malaysia, which has long regarded itself as more developed and sophisticated than most of its neighbors. After news of the beating became public, tens of thousands of Malaysians staged rallies around the capital calling for justice and reform. Posters of the popular former deputy prime minister sporting a hlack eye became the rallying image of

Perhaps capturing the national mood best was the scene at the courthouse when members of Mr. Anwar's family and his lawyers first learned of the beating.

"I am so sad that this can happen in our country," Pawancheek Marican, one of Mr. Anwar's lawyers, said immediately after emerging from the courtroom on Sept. 2g. "Things are not normal here anymore."

Mr. Anwar described his beating to the judge: "I was asked to stand up, and I was boxed very hard on the left part of the temple and the right part of the head. 1 was half-conscious, and the police helped me to clean up my nose and my

At the time, Malaysia's prime minister. Mahathir bin Mohamad, who on Sept. 2 dismissed Mr. Anwar from the government, did not discount the possibility that his former protégé's wounds were self-inflicted

"It's not impossible, because he will get plenty of mileage if he showed he was abused by police," he said.

Singapore Politician **Again Defies Police**

SINGAPORE --- An opposition politician defied police warnings and risked arrest to give a

since independence in 1965, had deprived people of their rights of free speech and freedom of in-You must understand that your rights are yours

he said. "If they do, they will affect you as individuals and as a society.

The government denies that it restricts such speeches, but it says proper procedures must be followed. A public speaker requires a police permit under the Entertainment Act.

Mr. Chee, 36, made a speech at the same place a week earlier. He pleaded not guilty in court Mon-

A fine of more than 2,000 Singapore dollars

Mr. Chee, whose party is not represented in Parliament, said free speech and information were keys to economic success because they fostered

day and later tried to serve him with a written

public speech without a license Tuesday.

Chee Soon Juan, leader of the small Singapore Democratic Party, made a 40-minute speech to a crowd of around 800 people in the central business district. It was his second such speech in a week.

He said the governing People's Action Party, which has dominated Singapore's government

and that the government cannot take them away."

day after he was charged with making the first unlicensed address, an offense punishable with a fine of as much as 5,000 Singapore dollars (\$3,000). He is due to appear in court Monday on

would bar him from seeking election for five

He said he planned to make another speech next week at the National University of Singapore.

creativity and the entrepreneurial spirit.

The police warned him before the speech Tuesrequest to appear at a police station for questioning.

Mr. Chee declined to accept the document.

BRIEFLY

Burma Reopens **Medical Schools**

RANGOON -- Two years after closing universities nationwide to quell student unrest. Burma's ntilitary government reopened medical schools Tuesday.

The move indicated that the govemment felt confident enough of the security situation that it could reopen campuses that were the site of some of the most persistent protests of late 1996.

In recent months, the infrastructure of the opposition National League for Democracy, headed by Daw Aung San Suu Kyi, has been weakened by the detention of about 1,000 members. The government says they will be released when they agree to quit her party.

The military said that three medical schools and a dental school in Rangoon and Burma's secondlargest city, Mandalay, had re-

Pakistanis Mourn Victims at Mosque

MULTAN, Pakistan - Thousands of mourners burying victims of a massacre at a mosque beat their chests and cried out Tuesday for Prime Minister Nawaz Sharif tn resign and for the Pakistani Army to take over the government.

The mourners held funeral services for 11 of the 16 Shiite Muslims slain while at prayer Monday. They blamed Mr. Sharif for failing to maintain order in Pakisian. The dead were buried in the same mosque where the anack occurred, in the village of Quereshi, more that 30 kilometers (18 miles) from Multan.

Toll Rises in Aceh

JAKARTA - The death toll from separatist violence in the troubled Indonesian province of Aceh rose to 16, while on Tuesday security forces continue house-to-house searches for suspected rebels.

In Lhokseumawe, a town about 1,600 kilometers (1.000 miles) northwest of Jakarta on the northeast tip of Sumatra, nine civilians, were killed Sunday when security forces opened fire on a mob of 3,000 pro-separatist supporters. Seven more people died in hospitals from bullet wounds. (NYT)

U.S. Seeking A UN Court On Cambodia

By Philip Shenon
New York Times Service

WASHINGTON — Working to ensure that two top Khmer Rouge leaders are put on trial for their roles in the deaths of more than 1 million Cambodians in the 1970s, the Clinton administration is quietly trying to organize an international tribunal under UN auspices that would not be opposed by China and the current Cambodian government.

American officials said one compromise would call for the men, Khieu Samphan and Nuon Chea, to be charged with crimes against humanity that occurred from 1975 to 1979, when the Khmer Rouge under the Ladership of Pol Pot ruled Cambodia - and not for crimes that took place

The officials said they hoped that such a plan would placate Beijing, which was a steadfast supporter of the Maoist-inspired movement from the an international tribunal because 1960s until the early 1990s, when a Beijing can veto any proposal for a United Nations peace agreement trial that comes before the UN Seended virtually all foreign support for curity Council. the Khmer Rouge.

The Chinese have argued that they were unaware of the mass killings in Cambodia as they were occurring in the 1970s. The full extent of the Khmer Ronge atrocities became clear only Vietnamese invasion in 1979.



A STAR IS REBORN - The North Korean actress Kim Hye Young and her father, Kim Doo Sun, leading family members around Seoul on Tuesday as South Korea revealed they defected in August.

The Vietnamese discovered the with Thailand, They have since been the best forum possible." archival records of the Khmer Rooge allowed to return to their refuge. bureaucracy that disclosed the systematic torture and killing of Cam-bodians as well as the killing fields

that held the remains of the victims. The United States is particularly sensitive to China's concerns about

Mr. Khieu Samphan, who was the head of state of the Khmer Rouge government, and Mr. Nuon Chea, who as Mr. Pol Pot's second in command was known as "Brother No. 2," defected late last month after spending

American officials acknowledged that a proposal to limit the charges to crimes that occurred from 1975 to 1979 might be seen as benefiting the United States, which gave critical diplomatic support to the Khmer Ronge after the Vietnamese invasion. But they insisted that their goal was not to shield Washington from blame for propping up the Khmer Rouge.

"We have to go some way to satisfying the Chinese if we want a trial that is granted legitimacy by the Se-curity Council," said an administration official, speaking on condition of anonymity. "Our overall goal is to after they were driven from power by a most of the last two decades in jungle bring the men most responsible for the motes national reconciliation, solidarredoubts along Cambodia's border mass murder of the 1970s to trial in ity and the stability of the country."

■ China Cool to Debate

China distanced itself Tuesday

from an international debate over how to deal with the former Khmer Rouge leaders, Reuters reported. The Foreign Ministry spokesman,

Zhu Bangzao, said that China did not want to get involved in internal Cambodian politics, but added that Beijing would welcome any development that supported stability in Cambodia.

As the leaders of Khmer Rouge

return to the big family of Cambodia, gradually the issue has become history." Mr. Zhu said. "However. we would appreciate any action that pro-

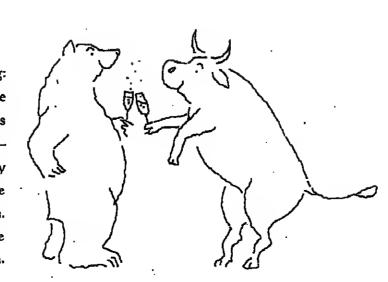
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Strong Start for the Euro

Bank Is a Worry

The euro, the new currency for most of Europe, got off to a strong start as it appeared to be the magnet for capital that its designers desired. The euro gained against the dollar, and big European stocks, now traded in euros, rose sharply. The fact that the euro exists at all, and that polls indicate that it is popular among citizens of most European countries, is a great accomplishment for a generation of European lead-ers — most notably Helmut Kohl of Germany — that has largely passed from office. Finance ministers had good

reason to break out the champagne. Nonetheless, the most important new institution created along with the euro is off to a disturbing start. The European Central Bank, under the presidency of Wim Duisenberg of the Netherlands, has demonstrated a tendency toward excessive secrecy. The votes of its members on monetary

central bank needs supporters. —THE NEW YORK TIMES. Too Little Democracy Europe successfully has given birth

unified currency a chance for greater prosperity and global clout. But each nation in "Euroland" also has ceded a huge chunk of sovereignty. with consequences for their economies and democratic institutions that are

to a new currency. Eleven disparate

parents, from Finland south to Spain,

on Monday congratulated themselves

heartily on their new offspring, the

inelegantly named curo. They see in a

today impossible to predict. Normally, monetary unity follows national consolidation. Long after be-coming a country, the United States suffered from a fragmented currency system; right up to the Civil War, a bank in Massachusetts made money that might or might not be accepted by a tavern keeper in Virginia. Europe is trying to reverse the process, forcing political unity by giving up its francs, lire and Deutsche marks. It is risky, and not primarily because money is such a treasured symbol of nationhood.

Money is a key component of economic policy-making. If unemploy-meet rises, a central bank can lower interest rates, accepting some inflatioo or devaluation to spark economic growth. The 11 nations of Euroland now have forsworn that option. The Frankfurt-based European Central Bank will chart mooetary policy for all of them, and the same policy for each - although unemployment rates range from 2.2 percent in Luxembourg to 18.2 percent in Spain, and growth rates

policy changes are to remain confidential indefinitely. Mr. Duiseoberg got the job last May as a result of a deal in which France acquiesced only after it was agreed that he would resign in about four years to be replaced by a French official. Now he says he might ignore that deal and stay in office for eight years.

The European Central Bank was designed to be more independent than even the Federal Reserve or Germany's Bundesbank. But the various national governments retained the authority to choose the bank's top nfficial. By seeming to thumb his nose at that political compromise, Mr. Duisenberg has provided a reminder to Enropean voters of just bow much sovereignty their governments have given up. That reminder could come back to haunt him if, or when, Europe's economy runs into difficulties and the

Of course, Massachusetts and Virginia are now similarly subject to the monetary policy of a single Federal Reserve system. But, unlike in Euroland, the central government in the United States also cootrols fiscal policy, and so can direct tax revenues from prosperous to troubled regions.

In addition, thanks in large part to a common language, workers in Mas-sachusetts move far more freely to johs io Virginia, or the reverse, than workers will shuttle between Germany and Portugal.

Proponents see many advantages in the euro. Businesses will have a far easier time serving a unified market of 290 million people. Europe's currency may come to rival the dollar. Closely linked economies will make war or political discord less likely. Eveo the loss of sovereign decision-making is seen as n plus, since governments denied the seductive option of inflationary money printing will be pushed into more painful but ultimately more healthy structural reforms.

All these may pan out. If the euro is to succeed, it will certainly force closer cooperation among the 11 countries in fiscal, labor and other policies. But, as with all supranational schemes, from world government to an international war crimes court, there is an anti-democratic strand in this European Central Bank. Voters in each of the 11 democracies now are far less able to influence ecocomic actions critical to their well-being. In Euroland today, that is seen as a plus --- an "insulatioo" from politics. In time, especially in from 1.5 percent in Italy last year to 8.5 hard times, it may be seen as a failing.

—THE WASHINGTON POST.

Cambodia Needs Trials

The annals of justice coordin few scenes as bizarre as the goings-on in Cambodia last week. In late December, Khieu Samphan and Nuon Chea defected from the straggling remains of the past the Cambodian leader, Hun Sen. had favored prosecuting Khmer Rouge leaders, whose regime in the late 1970s killed more than a million people. Instead he declared that these men should be welcomed "with bouquets of flowers." They were, quite literally. Then they were treated to beach vacations. After this engendered outrage in Cambodia and worldwide, Hun Sen said he supported a trial for his guests. He should prove it by arresting them, and then the Uoited Nations must quickly

move toward setting up a court. Trials of the most important Khmer Rouge leaders have been discussed for years. In 1997, Hun Sen signed a letter asking the United Nations for belp in setting up such trials. But be has never been serious. He has treated defecting Khmer Rouge officials as allies and giveo them poliocal power. He has manipulated memories of the past.

Last April, the death of Pol Pot robbed Cambodia of the opportunity to try the man known as "Brother Number One." But last month's defectors were oear his level. Nuon Chea was known as "Brother Number Two," and Khieu Samphan was the head of state in the Khmer Rouge government. They are oow in the towo of Pailin, which is run by leng Sary, a former high-ranking Khmer Rouge official who was given amnesty when he left the guerrillas in 1996. Hun Sen, however, insisted in the past that the

government had control of Pailin, and so it could arrest them.

Three international jurists hired by the United Nations are in Cambodia, looking at the evidence against the Khmer Rouge guerrillas and turned most important Khmer Rouge leaders themselves in to the government. In the and assessing the feasibility of trials. They are due to give their report at the end of this mooth. If the evidence is there, and experts say it is, the Security Council should approve trials of the top surviving Khmer Rouge leaders for

crimes against humanity.

Given that Cambodia's justice system is a tool of Hun Sen, the trials will have to be internationally run. But they can have coosiderable Cambodian participation and should be in Phnom Penh, where they can do the most good for the victims and for Cambodia's still traumatized society.

-THE NEW YORK TIMES.

Other Comment Washington Isolated

I have never witnessed such a huge disconnect between the capital and the rest of the country. Washington is transfixed by Bill Clinton's impeachment. The rest of the country hardly seems to care. It is arguable that this distance is an isolated eveot, reflecting the peculiarity of the Clinton presideocy and the carefree attitudes of a booming economy. This is a delusion. These conditions may have enlarged the disconnect, but Washingtoo has

grown more insular. People elsewhere

tune out because they feel left out. - Robert J. Samuelson commenting in Newsweck.

Herald Eribune

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Europe Gives the World an Extraordinary Lesson

PARIS — What an achievement!
The hirth of the euro is a historic accomplishment with global con-

sequences. Of course, curmudgeons of one kind ot another will rain on the happy parade that marches across Europe. But they should be conscious of history. They should reflect on how far Europe has rebuilt itself from the ashes of World War II. Euroland should be seen as an important milestone in that process.

But it is by oo means the last one. Successful economies are built on a broad range of strengths, of which sound fundamentals, high expectations and confidence are among the most important. For the most part, they are all present in Euroland.

More than an economic milestone.

the birth of the euro is a truly remarkable political achievement forged by statesmanship of the highest order. To be sure, European mooetary union will not be a panacea for Europe's many continuing problems, including its high levels of unemployment, par-

ticularly among young people. Nor will it be without its own challenges as it moves to maturity. But to place the magnitude of this event in perspective, consider the words of the British hisBy Donald J. Johnston

torian H.A.L. Fisher writing in 1936 of the divisions in Europe:

'[Ever] since the first century of our era the dream of unity has hovered over the scene and haunted the imagination of statesmen and peoples. Nor is there any question more pertinent to the future welfare of the world than how the nations of Europe, whose differences, are so many and so inveterate, may best be combined into some stable organization for the pursuit of their common interests and the avoidance of strife."

For Fisher, events that for us today seem like the distant past were still recent history. As the curtain was raised on this century, tensions were rising in Europe. Alliances flourished and were central to foreign policy, which was anchored in the concept of balance of power through military strength.

Unlike recent times, when we counted nuclear warheads in establishing that balance, at the beginning of the century it was measured more by the number of soldiers one could put on the field. A French-Russian agreement of 1894, for example, made provision for nization for Economic Cooperation 1,300,000 French soldiers and from and Development, which I have the

be deployed against Germany. There already existed the triple alliance of

Germany, Italy and Austria, representing the counterbalance, with Britain effective administrator of the plan, initially isolated until its entente cordiale with France in 1904.

The purpose of this brief excursion into history is to demonstrate how fragile and tense European relationships

were as the century opened.
In the wake of World War I, in which 10 million were killed and another 20 million wounded, one would have thought that lessons had been learned. Sadly not. The tension and fragility quickly returned, and the horrific cost of human life of World War I was not enough to avoid the further camage and destruction which followed shortly after Fisher's observation.

Living in France, I am caught up by the euphoria of the present moment. But I am also influenced by postwar history and by the role that the Marshall Plan played in making today's events possible. Last year brought the 50th anniversary of George Marshall's Harvard speech when the broad outline of the plan was announced. The Orga-

700,000 to 800,000 Russian soldiers to be deployed against Germany. There of the Marshall Plan, having evolved directly from the Otganization for European Economic Conperation, the (peridentia

In Blass

As this 20th century draws to a close. let us hope that the world has learned this lesson for the benefit of future generations: that while lasting freedom, peace, prosperity and security must be defended through military prowess, they can be acquired only through economic cooperation and development. What better example of that could there be than the creation of Euroland? George Marsball and his colleagues of the day who launched that extraordinary experiment in economic cooperation would rejoice in this accomplishment.

Let us celebrate and toast those whose vision made it possible, and especially those who are still with us. including people like Helmut Schmidt. Valery Giscard d'Estaing, Sir Edward Heath and Jacques Delors. What a wonderful way to drop the curtain on Europe of the 20th century!

The writer, secretary-general of the OECD, contributed this comment to the International Herald Tribune. .

The Test of Economic Performance Will Be the Creation of Jobs

TNTRODUCTION of the Leuro is a crucial step in Europe's courageous march toward poliocal union, which may end forever the deleterious nationalism that has ravaged

the continent for centuries. Is monetary union going to last, or will it be pulled apart by centrifugal forces? Legally the Maastricht treaty does not cootemplate secession, but in the end durability will depend in large measure not on the legal hinds but on economic

performance. Conventional wisdom bolds that success will he measured by the exteot to which the euro replaces the dollar as a reserve сштепсу.

This is a superficial, even dangerous view. The economic advantages of being a reserve curreocy are questioo-able. The danger is that pursuit of prestige could result in escalating interest rates, which would prove very damaging for Europe.

The relevant test of economic performance will be the ability to cure the plague of unemployment, currently averaging 10 percent and higher in member countries. There is no developed country outside the euro group with unemployment close to two digits.

There are many causes, but much of the problem can be traced to misguided and inept economic policies, especially in the mooetary area. These missteps resulted in a collapse of investment.

The prospects for improved policies, which had looked rather dismal, have taken a turn for the bettet with the election of new governments in France and Germany during the last year and a half. At the same time, the European Central Bank has arranged a coocerted redoctioo in interest rates, with its president expressing the

hope that the move might help "stimulate investment." If these recent events are any sign of things to come, we can look with some new hope to a

successful and lasting euro. — Franco Modigliani, a professor at the Massachusetts Institute of Technology who received the Nobel prize in economics in 1985, commenting in

The New York Times.

Higher Inflation

MONETARY union is likely to put Europe on a path to higher inflation, reversing 20 years of progress.

Before the start of monetary union, good monetary policy in the major European countries reduced inflation to less than 2 percent, because of the dominant leadership of Germany's independent, fiercely anti-infla-tionary central bank. With the euro, Germany's dominance will end, and central bank independence may be dead.

Even when other countries had double-digit inflation back in the 1980s, public sentiment in Germany supported the tough monetary policies needed to keep inflation low. Under the rules adopted then, other European countries had to follow Germany's lead or accept the destabilizing consequences and political embarrassment of currency devaluations.

But in the oew order, the making of monetary policy, and therefore the determinatioo of inflation, passes from individual oational ceotral banks to the European Central Bank, where each country has equal weight.

Without the tough standardsetting by the German central bank, the process is likely to drift to higher inflatioo rates. Indeed, some non-German politicians favored monetary Central Bank, freed from

union as a way to end Ger- democratic oversight, will many's dominance of European monetary policy, in the mistaken hope that an easier mooetary policy would have favorable long-term effects oo

employment and growth. Leading European politicians are now also calling for political cootrols over monetary policy, a clear violation of the Maastricht treaty that established monetary union and an equally clear recipe for

higher inflation. Although the new left-ofcenter government in Germany supports this move, the higher inflatioo that results will be very unpopular in a country in which the majority of voters doubted the advisability of abandoning the mark for the untried euro.

How Germany responds to the conflict caused by rising inflation will be a critical issue in Europe's political future. Martin Feldstein, who

was chairman of the Council of Economic Advisers in the Reagan odministration, commenting in The New York Times.

Capital Is in Charge.

Left-of-center politicians now lead every major Western nation, including most of Europe. So what? Real power is shifting to global usinesses, which are merging at a record pace, and to central banks, rapidly consolidating their anthority. The euro accelerates both trends.

Jürgeo Stark, vice president of the Bundesbank, says the euro presents a "great opportunity for Europe to combine sound monetary and fiscal policy with more flexibility. These are code words.

"Sound mooetary policy" means that the new European

fight inflation, not ucemployment. "Sound fiscal policy means that public spending, already slashed as the price of admission to the euro club, will stav that way.

And "more flexibility" means that a common currency. will push employers to cut costs, especially payrolls. Europeans are willing to go

along because these sorts of policies appear to have paid off for the United States. President Bill Clinton's 72 perceot popularity rating, impeacb-ment notwithstanding, exactly matches the record percentage of Americans who think that the American economy isgood. It is no coincidence.

What Europeans don't know is that America's economic ebullience rests on a house of cards. It is not "sound" macro-

economics and a "flexible" labor market that have put Americans in such a good mood — it is a stock market that has soared into the stratosphere, combined with plummeting world commodity prices that have made oil and raw material imports so cheap that even the Fed bas briefly stopped battling inflation.

The Dow Jooes could come back to earth with a thud when the frenzy abates. The country's ballooning trade imbalance will pop at some point. Meanwhile, we Americans

aren't saving a dime. And when the going gets rough again, we will ootice that the gap between rich and poor bas widened into a chasm, nobody has job security and there is no safety net. Even in these frothy times, more of our children are impoverished than before the expansion started, and fewer Americans ever see a doctor.

The euro will surely make Europe more efficient, speed-

the highest return. But the real lesson from America is that people do not move nearly as fast as capital.

Left-of-center governments used to provide a buffer between the two. Now capital is running the show everywhere. · — Robert B. Reich, lobor

secretary in the first Clinton administration, commenting in The New York Times.

More Unity Coming

EUROPEAN monetary undion is about redefining the meaning of nationhood. This is what Americans, with their visceral worship of the dollar, evidently do not understand.

The history of the dollar, like the history of the British pound, seems to show that a nation cannot be said to exist if it does oot command its own currency. Well, no country had a more totemic reverence for its currency than Germany did, yet Germans have accepted the end of the Deutsche mark proof that currency need not equal nationhood:

Some governments, mostly those in the smaller nations, . seem content to watch a central bank take unsupervised command. Others recognize the problem but lack the imagination or daring to incorporate political reform building a framework to accommodate. the "European" conscious-

will undoubtedly accelerate. But this, too, will happen. No one can say exactly when or how, yet the project con-tinues, and every European country wants to join it. Its vast improbability is a measure of its triumph.

ness that the arrival of the euro

- Hugo Young, u columnist for The Guardian (London). commenting in The New York Times.

British Foreign Policy Remains Based on Two Illusions

the monkey when the organ

London — There was a time when British foreign policy was shrewd and sensible. Lord Salisbury once described it, with all the self-confidence of great imperial power, as "floating lazily downstream, occa-sinnally putting out a diplomatic boat hook to avoid collisings. But then power ebbed and the

theater of illusing took over. For the last 50 years, British foreign policy has been based on two illusions. The first was that Britain could exercise immense influence in Europe by remaining outside it. second was that Britain's interest was always best served by tagging along behind the United States. Both illusions continue

undimmed. British participatioo in the American bombing of Iraq last month was nnly the latest example. While there are argumeuts for action against Saddarn Hussein, there is little international agreement that air strikes are the best answer. Some argue for a continuing strategy, based on support for the apposition in Iraq and tightening the blockade. Britain was the only country to join immediately and unquestioningly

in military action. It could hardly be claimed that this was a military necessity. By scraping the barrel, Britain contributed 12 fighterbombers, some 5 percent of the strike force (compared with 10 percent at the time of the Gulf War). The British action was simply the latest demonstratioo of a slavish servility, reminiscent of a Soviet satellite under Leonid Brezhnev, and even surprising many Americans.

This policy has for Britain three dangers: • It means stoking up considerable anti-British feeling in

By Roy Denman

the Arab world, which resents said: "If we complain about the the double standard employed by the United States between em and Israel.

Indeed, attaching itself to American coattails will have increasing dangers for Britain. President Bill Clinton may at any time be tempted to action overseas to divert attention from his domestic difficulties. In any case, with the ending of the Cold War and the consequent absence of the need to make common cause against the Evil Empire, American interventioo in the world will be increasingly determined by do-mestic lobbies that can hardly be expected to be concerned

with British interests Britain will be taken less and less seriously by all its partners. They have already perceived that any serious discussion of international questions in which Britain is involved means tackling the United States. As a British Labour politician, Nye Bevan, once

Sense of Superiority

A N important element in the Acharacter of our national life would be altered by the creation of a land connection ... One effect might for example be the weakening of that unquestioning sense of superiority over the peoples of the Con-tinent which forms an essential element in British self-confidence and which has proved its value in recent times

-From a 1949 Foreign Office submission advising against the building of a Channel tunnel, as quoted by The Daily Telegraph (London) this past Dec. 28.

tune, there is oo reasoo to attack

grinder is present." The new German government has made clear its backing for European political as well as economic integration oow that the single currency is under way. Imagine the scene when, after much laborious discussioo between Berlin and Paris, an outline of a policy in the external field emerges. The small drafting group figures that with some minor changes the outline could be acceptable to the other members of Euroland.

'And the Brits?'' someone asks. Hearts sink around the table. Everyone realizes that the British will be impossible to bring along. At every stage they will say, "But this point will not be acceptable to the Americans," or, "If you insist on this, Mr. Blair will have to telephone President Clinton."

It becomes clear to all that on foreign policy grounds alone Britain, as an American satellite, has no place in a rapidly integrating Europe.

 Seemingly unaware that he is thus including himself out of Europe by one door, Tony Blair imagines entering by another. His European rbetoric has become warmer. He has attacked the Conservatives for their opposition to further integration. 'The lunatics have taken over the asylum," he jeered.

As for him, he sees British business lobbying massively for entry into monetary union. and his "third way." of flexible labor markets and competitive taxation, proving irresistible across the Channel. He said on Dec. 15 in London: "Those of you who report beyond these

sbores know that it is striking a chord right round Europe.

Bot this is simply living in Spin Doctor Land. What matters is not the degree of Mr. Blair's rhetoric but his commitment. Terrified of Rupert Murdoch and his press, he has still made no hard decision on entry into monetary union. Without it, scant attention is being given in Euroland to a voice beyond the city walls. And Britisb businessmen are reluctant to lobby. They regard that as the government's job.

Britain's twin illusinns mean

tracted out. In matters European, the real prime minister is Rupert Murdoch. In foreign policy generally; the real prime minister is the president of the

United States. Together they block the bistoric role that Britain could be playing as one of the builders of a united Europe and as a friendly, steady partner, but not a poodle, of the United States. Lord Salisbury must be spinning in his grave.

The writer, a former representative of the European Conmission in Washington, rontributed this comment to the

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Peace Prospects PARIS - The "Novoe

Vremya" makes pessimistic remarks about the prospects of disarmament. "Can any aid be expected from Germany, which is preparing to increase her army; from Austria-Hungary, which, by the force of destiny, must enter into open violatioo of the Constitution in both halves of the Habsburg monarchy: from France where the Dreyfusard agitation paralyzes her energetic Government, leaving it no time to deal with any other question of foreign policy?"

1924: Holy Typewriter ROME - That the days of

parchment are over in the Vatican was clearly demonstrated when the Pope received n presentation typewriter. His Holiness examined the keyboard and showed interest in the working of the significant gift. theory of Communism).

that its foreign policy is con- International Herald Tribune.

stitute of the fountain pen.

MOSCOW - Lavoisiet's law on the conservation of matter was discovered by the eighteencentury Rossian physicist Lomonosov, according to the latest claim for Russian science advanced by Sergei Vavilov. President of the Soviet Academy of Sciences. This theory was hitherto credited to the French chemist Lavoisier, but Valivov insisted it really belongs to Lomonosov. One reach son Lomonosov's law is of sugreat importance, Vavilov explained, is that it is the basis of one of the main premises of the philosophy of dialectical ma-

terialism (and therefore of the

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OFFSHORE T_{ij}

Although the tic-tac of these modern appliances resounds in the Vatican chancellery, no Pope has ever before come in contact with the modern sub-

1949: Russian Theory

OPINION/LETTERS

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Presidential Race in '99? Don't Blame Candidates

By David S. Broder

WASHINGTON — Ready or not, here they come. Those in the vanguard of U.S. presidential candidates for 2000 have made their announcements already, and the procession will Americans to lift their sights begrow almost every week until a dozen or more are enrolled in the pursuit of the White House.

Before you complain that one year of presidential campaigning is an imposition and two years unendurable, understand why this is happening. It is not the fault of the people who are seeking the presidency.

on campaign finance legislation has locked in an outmoded contribution limit of \$1,000 per individual. With the cost of running for the presidential nomination estimated at \$20 million, it takes an inordinate amount of time to identify and motivate the thousands of donors each candidate will need.

27 (1)

ttion of Jobs

Mary Landy Long.

A second factor is the rush of states to the front of the primary calendar - a mad pursuit that has advanced the campaign schedule to an earlier period than ever. With huge states like California and New York moving their primaries into March of 2000, it now appears likely that almost two-thirds of the national convention delegates will be chosen by the end of that month — the month that until very recently marked the beginning, not the end, of the nomination contest.

With at least 28 states holding contests in the first quarter of 2000, candidates must do most of their campaigning in 1999. Even with jet planes and satellite TV linkups, they simply will not have enough days in their schedule to each the voters if they wail until nexi January.

Raising the money and spreading the message require that the candidates begin now, unseemly as that appears and unwelcome as it may be to a country turned off by politics and reluctant to be dipped further in a pool of partisan rhetoric and political bunkum.

And that sets up a tension that may make election 2000 unlike any we have seen. The dimensions of the contest are almost certain to be larger than usual, not just in length but in significance.

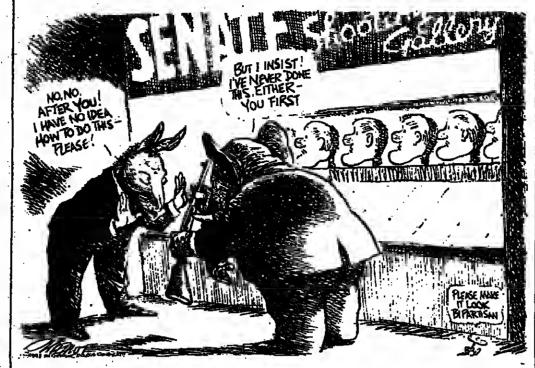
But public acceptance — let alone participation - is very

Start with the fact that this is the first millennial election since the American republic began and only the third to inaugurate a new century. It is a time that beckons yond the controversies of the mo-

The campaigning begins with the nation at peace and enjoying widespread prosperity. But epochal changes are taking place. The baby boom generation has become the grown-np generation, responsible for leadership in almost One reason is that the gridlock all the key public and private sector posts. Financing their retirement and health care benefits has become the single higgest threat to U.S. finances.

And science has created a host of ethical dilemmas, which inevitably will become political issues. Fertility drugs, cloning techniques and the regenerative potential of stem cells pose serious questions about the beginning of life, its sustenance, its replication and its extension far beyond the hiblical 'three score years and ten." Questions from the "harvesting" excess embryos to the acceptability of physician-assisted suicide make this a campaign in which questions of values and

Americans have gone through a cycle of declining trust in the in-



stitutions of democracy. The presidency, Congress, the courts, political parties all have been weakened by a crossfire of attacks on their integrity. Cynicism about govern-

ment has rarely been greater.
The impeachment of President Bill Clinton and the forced resignations of three of the last four men to lead the House of Representatives speak to the destructiveness of this trend. Beyond the challenge of se-

direction of a direct democracy of the Internet and the polls - an evolution the founders tried to deflect with the elaborate checks

lecting the next occupant of the and balances of the constitution. White House and the next ma-All this is on the table. There is jority on Capitol Hill, the camno guarantee Americans will mark paign now beginning may go a the millennium with an inspired long way toward determining choice of leader. In 1800, they whether the presidency and Con-gress can reclaim their legitimacy elected Thomas Jefferson; but in 1900, the pedestrian William in the eyes of the public. If not, the republic may evolve further in the McKinley won a second term.

Given the range of possible outcomes, two years may be none too much to debate the alternatives in election 2000.

LETTERS TO THE EDITOR

A Word to the Maven

morality may loom large.

I was amused to read the phrase "no haven for the maven" in William Safire's column on language (Dec. 28). I wonder how many other readers realize that "maven" is pure Hebrew and whether Mr. Safire has ever pointed this out.

Israel of course is full of people who think they know English and have no inhibitions about showing their ignorance. The sign put up by the doctor wbo treats "Women and other diseases" is a classic, and there was the sign at the pedestrian crossing warning drivers to watch out for streetwalkers.

I recently heard the following language joke. A mother mouse sensed the approach of a cat, hid her small baby mice under her body and loudly shouted "bow wow!" The frightened cat ran away and the mouse told her kid-

dies, "You see how useful it is to know a second language!" HARRY J. LIPKIN. Rehovot, Israel.

Civilized Borrowings In response to "Among U.S. Students, French Keeps Its Chic'

(Dec. 28): When a Frenchman says le stress or le disk-jockey the author seems to suggest that the Frenchman is acknowledging the superiority of "the American way of

But when we read in the American or British press these French words or expressions — déjà ru, roison d'ètre, cul de sac, vis-à-vis, bon vivant, entrepreneur, chorgé d'affaires, pas de deux, etc. never would we think that our culture or language is better than yours! We think of it only as un

êchange de hons procèdes between civilized and polite peo-JACQUES H. MELIES.

Saddam's Sweater

Astoundingly, all observers of Desert Fox and its aftermath have overlooked the obvious. Had they been more astute they would have picked up on the telltale sign that Saddam is weary and ripe for overthrow: On CNN and the BBC he has of late frequently been seen wearing, over his military green, a short-sleeved pullover.

The short-sleeved pullover is known the world over by haberdashers as an "old man" thing. Once donned, it is an unmistakable sign of giving up and fading into a flaccid Morris chair retirement.

Do not listen to Saddam's ag-

gressive words. The pullover is the message. White flag.
ALAN GOLDFEIN.

Bombing GM and Ford

The plants were repeatedly bombed by the Allies. For instance, the Ford Poissy factory near Paris was attacked by the RAF on March 8 and on April 2-3, 1942. A year later, the U.S. Army Air Force raided the Ford and GM plants in Antwerp, on May 4 and 14 and again on June 22. The Cologne, Germany, Ford factory was bombed four times in October 1944, agaio by U.S. bombers.

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Millennial Retirement: It's Time to Rethink

By Stephen M. Pollan

NEW YORK — The meaning of retirement has changed with every American generation. When Franklin Roosevelt and his New Dealers laid the cornerstone for American retirement with the Social Security Act of 1935, retirement was viewed as a

MEANWHILE

sbort-term safety net for the handful who survived past age 65 after a lifetime of manual labor. At that time, life expectancy was 63.
The Silent Generation, which

retired flush in the 1980s, enjoyed the fruits of increased private pensions, advances in medicine and real estate profits. It also redefined retirement as a lifestyle: shuffleboard in the Sun Belt.

The baby boom generation. their wealth diluted by their numbers and their dreams inflated by their idealism, has tended to see retirement as a formidable goal to aspire toward. They are on standby for a two-decade-long Renaissance Weekend.

To Generation X, whose slacker cynicism came from a pragmatic appraisal of their future, retirement is a cruel joke: They know they will need to work forever to pay the Social Security of all those utopian boomers.

But the most radical and, I believe, healthiest redefinition of retirement is coming from the Millennial Generation, the leading edge of which is college age today. According to a recent survey of college students, an astounding 64 percent of them believe they will retire before the age of 50.

This may sound like youthful bravado or ludicrous optimism after all, these students have not even started their careers. But their attitudes, as reflected in a survey conducted on KPMG Peat Marwick's recruitment Weh site and in my own experience as a career consultant, may be a harbinger of a revolution that redefines career as

well as retirement. The members of this generation are willing to trade job security and satisfaction today for the chance to make the money that will enable them to lead richer lives in 30 years. And they are planning on doing wbatever it takes during the first three decades of their working lives to enable them to do whatever they want for the subsequent three

One young man who is working long hours as a mechanical engineer for an aerospace contractor recently came to me for advice on how to save enough cash to move eventually to Duhlin and open a pub. A management trainee at a multinational media company told me that his goal was to huild enough wealth so he could devote himself to his music.

What my young clients and the college students who took the KP-MG survey apparently share is the sense that work and career are not necessarily the same thing.

In the recession of the early 1990s, much was made of un-motivated Gen Xers who told polisters they expected to be worse off than their parents.

the other hand, has a renewed

64 percent of college students believe they will retire before 50.

These young people are not being capricious; they are being teboomers veer from idealism to

For the Millennial Generation. work is a means to an end. And the end they are pursuing, while still labeled "retirement," is not a mythic life of leisure — it is freedom to do whatever work they choose,

In the KPMG survey, 81 percent of the students said they think they will be more successful than their parents. If they are willing to work for it, who are we to call them wild-eyed optimists?

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ROGER ANTHOINE.

Bad Herrenalb, Germany.

Regarding the Ford and General Motors plonts operating under Germon nianogement in World War II ("U.S. Automokers Fight Claims of Aiding Nozis," Dec. 3):

The Millennial Generation, on

sense of purpose. Eighty percent of the college students responding to the KPMG survey expect to work more than 45 hours a week at their first job, and 64 percent think they will change careers at least three times in their litetime.

silient. They have seen the economy reward individuals for hard work, flexibility and innovation. They have also seen haby materialism and back again.

The writer is a lawyer and fi-noncial udviser. He and Mark Levine, who helped write this ar-ticle, ore the unitors of "Die Broke" ond "Live Rich." They contributed this comment to The New York Times.

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By Suzanne Daley New York Times Service

KWAMBONAMBI, South Africa -The Zuln bride had intended to approach the groom's family homestead in her shimmering white wedding gown, with her pearl-studded headdress and 20foot-long train. But her busband's rela-

tives would bave none of it. The wedding festivities came to a

standstill. The singing stopped.
Negotiations began as family members from both sides milled around on the dusty road outside the bridegroom's family's property, each side clucking over the other's stubbornness. Eventually it was decided that Nompumelelo Mkhwanazi, surrounded by her family, could come as far as the gate in her white

But then she would have to go away again to change into a traditional beaded skirt and leopard-skin collar before actually being welcomed by the Mthembus — who had slanghtered a pale brown cow for the occasion and carefully divided the meet between the true faction. vided the meat between the two families,

'After that, she is theirs," joked the bride's uncle, Joe Mkhwanazi, who had led the bride's negotiating team and agreed to the compromise." They can do what they want with her."

ships and in rural villages, tribal mar-riage ceremonies are under assault, and it is not merely because young women of property to property to property because young women protect the first wife's claims.

The property clauses will eventually make an elders from both sides of the aisle gave speeches describing the many virtues of speeches described the many virtues of speeches describing the many virtues of speeches describing the many virtues of speeches describing the many virtues of speeches described the many virtues of speeches describing the many virtues of speeches described the many virtue it is not merely because young women want the white dresses. They are also seeking the stronger legal rights that state-sanctioned weddings hold out for

Under the apartheid government, marriages following local tradition were the state. They were governed by tribal law, which made wives wards of their busbands. Once married, a woman could not own property; if divorced, she had uo claim to any of the couple's assets. Her husband could take another

wife without her consent. The apartheid government, geared to lawing their marriages would have been the needs of whites, recognized only weddings where couples were required cialists say. In addition, they assert that if services were the most urbanized and to ohtain a license and to be married by someone the state had authorized.

Last autumn, however, Parliament passed a law recognizing tribal marriages and seeking to bring them in line with the country's new constitution, which guarantees equal rights to women.

The new law allows a wife in a tribal half the marital assets in case of divorce,

Many advocates of women's rights 'thally die out,' she said.

acknowledge that the law governing tribal weddings was a company to the said.

Already, she points out traditional bal weddings was a company to the said. bal weddings was a compromise, but they contend that it was one that could not have been avoided.

widely practiced but oot recognized by in polygamous marriages - and out-

There is nothing to say that, if I die, my brother can't come and say, You killed him; you get nothing."

the South African government's Com-mission on Gender Equality, put it: 'For many women in the rural areas, these marriages are their only hope of access The new law allows a wife in a tribal to resources — housing and water. Yes, marriage to own property and gives her it's problematic. But in some of these areas, women are not in the position to

marriages are on the wane.

Since South Africa never recognized them, there are no statistics on tribal The rural areas are filled with women marriages. But Likhapha Mhatha, a re-

well. Part of the impetus was the

polygamy were outlawed, many men educated.
would refuse to many at all.

As Liesl Gerntholtz, legal director of come an expensive mix of both cultures, with aggravation and amusement for everyone involved.

The nuptials of Miss Mkhwanazi and Mthokozisi Mthembu began on a recent Saturday with a "white wedding": a Christian ceremony that took place in her family's Baptist church near their home in a township outside Richards Bay on South Africa's east coast.

contest. At one point, the bride's uncle made her stand to show how sturdily built she was - "like an ox," he said. The bridegroom, he pointed out, was just a short man.

The couple, known to their friends searcher at the University of Wirwater- and family as Mpurne and Guava, did srand's Center for Applied Legal not argue about having both kinds of Studies, says that even before the new law, black South Africans had increasingly been mixing their cultural traditions with others and insisting on a conventional, state-sanctioned ceremony as well Bart of the impacts of the impacts and the increasing their respective families. The bride, who lets her outgoing husband do most of the talking, said demurely that she would out have been happy with

only a traditional wedding.
"I am not going to feel good," she
said."There are people in my family who

would want to see me in a white dress, and even myself, I liked to see it." But there was no argument. The bride-groom, a teacher like his wife and the chairman of the English and history department of a rural high school, said that he too wanted a legally binding agree-ment that protected his wife from tribal customs and superstitions that could leave her penniless if he died.

'In our culture, there is nothing to say the bride's negotiating team and as with other state-sanctioned marriages. They can do bright they want with her."

Across South Africa, in black town
They want to have the state-sanctioned marriages. The service had elements of African laws represent a major gain and that the state in the position to her lating to say, "You killed him — you get nothing to say,

Turkish General Appeals for Unity In 'Critical Period'

au Hanna

ANKARA - One of Turkey's top army officers urged secularist politicians Tuesday to put aside factional quarrels and unite against Islamist and Kurdish activism.

Civilian power has weakened in the last month with the collapse of a sec-ularist government, which squabbling party leaders have failed to replace. The plea for national unity was made by General Atilla Ates, the

land forces' commander. 'The country needs domestic stability more than ever," the Anatolian News Agency quoted him as having said in the town of Kayseri in a speech to troops newly

returned from fighting Kurdish separatist rebels. Everyone should put the comtry's interests first in such a critical period," he said. "No opinion or consideration should be more important than the national interest."

Turkey has been without an es-

tablished government for 40 days hut, familiar with such uncertainty, it shows no signs of major disruption apart from disquiet among some military leaders.

IRAQ: Jets Clash in Air Duel Over South

Continued from Page 1

fly zones," said the White House spokesman. Joe Lockhart. "It's an important

part of our containment policy."

Mr. Lockhart said the uo-flight zones - imposed in the north and south of Iraq after the 1991 Gulf War - were designed to limit President Saddam Hussein's ability to threaten his neighbors

and repress the Iraqi people.

"And there's nothing that's happened in the last days or weeks that indicates that he has regained that ability," he said. "We know that he's frustrated and we know be's isolated. We know from his own words that he's isolated. He's very angry that he hasn't received the now bar Iraqi aircraft. support he believes he deserves from his

U.S. officials said that if one of the Iraqi planes crashed, as initial reports reaching the Pentagon suggested, it was probably because the jet's fuel tanks ran dry. Recent Iraqi military defectors have reported that the Iraqi Air Force has barred its pilots from filling their tanks

for fear that they might try to defect.

The air duel was the third and most dramatic military confrontation with Iraq in little more than a week. Baghdad appears eager to test U.S. resolve after American and British air strikes last month against military and industrial targets in Iraq.

In the earlier incidents, American warplanes attacked Iraqi air-defense batteries after Iraq carried out a threat to fire on American and British aircraft. patrolling the no-flight zones.

Iraqi confirmed the air-to-air confrontation Tuesday — the first between American and Iraqi jet fighters since Dec. 27, 1992, when an American F-16 shot down an Iraqi MiG-25 - but denied that any of its planes had crashed.

Suit Asks Israel To Prod Poles on Camp's Church

death camp, a U.S. Jewish group asked Israel's Supreme Court on Tuesday to order the Israeli government to stop sending high school students on tours of the

Rabbi Avi Weiss, who heads the Coalition for Jewish Concerns, a New York-based advocacy group, said he boped the court would rule to block the trips of Israeli high school students until the church is dismantled.

Rabbi Weiss said that by withholding bundreds of thousands of dollars in tourism revenue from the student trips, Israel might succeed in pressuring the Polish government to remove the church. Rabbi Weiss said the church was an affront to the memory of the Holocaust.

"The revenue is very important to the senators could vote to end the trial. Polish government, and we very moch want Jewish students to visit the camps," Rabbi Weiss said. "But my Democrats 45, and an eventual vote to remove Mr. Clinton from office would sense is that the only language the Poles understand is this kind of pressure." The church was installed in 1983 in a require a two-thirds majority, or 67

former Nazi headquarters building in the Birkenau section of the camp. Rabbi Weiss said the establishment of the church violated a 1972 United Nations declaration ordering the camp to be left

In addition to the church, dozens of crosses have been erected in memory of Christians killed in Auschwitz. More than 1.I. million people died in the camp, 90 percent of them Jews. The crosses have

also angered Jewish groups.

The Israeli Education Ministry said it would only comment on the case once

court proceedings begin.
Joanna Topinska of the Poland's Education Ministry said Tuesday that the government had no reaction to the lawsuit ince the ministry was not involved in it.

Miss Topinska said the ministry was working with the Israeli government on a new program of youth visits that would be "more centered on the future and less

centered on the past."
Polish officials have criticized the Israelis' trips in the past for focusing exclusively on the death camps and the Holocaust, while ignoring what they term more positive points in the history of the Jews in Poland.

The official Iraqi News Agency said that Iraqi planes "confronted and clashed with the aggressive British and American aircraft" before "the aggressive aircraft withdrew. All of our air force planes returned to base safely."

American officials said that despite the Iraqi elaim, British warplanes, which also patrol the no-flight zones, were not involved in the incident Tuesday.

Since the four-night American and British air campaign last mouth against Iraq, dubbed Operation Desert Fox by Washington and London, Baghdad has vowed to resume flying over large the swaths of oorthern and southern Iraq where the United States and its allies

The Iraqi Air Force chief, General Khaldoun Khattab Omar, said in an interview published Tuesday in an Iraqi government newspaper that Baghdad in-tended to 'tear down the lines' delimiting the no-flight zones.

'Iraqi fighter planes are totally free to fly the skies of Iraq, in the north and the south," he was quoted as saying. "They have the right to defend our territory and no one can stop them."

No Problems' for Aid Workers

workers have oot encountered security problems in Iraq despite tensions beween their governments and Baghdad, a UN official said Tuesday, The Assoclated Press reported from Baghdad.

George Somerwill, spokesman for the aid workers, spoke a day after Iraq for-mally asked the United Nations to re-

The humanitarian aid workers, who oversee a UN-approved oil-for-food program, were, however, withdrawn from the country for three days during the mid-December bombardment.

Baghdad has said that it will not renew the visas of nine Britons and one American working with the program, which allows Iraq to pump \$5.2 billion in oil and purchase food, medicine and other The Associated Press bumanitarian goods. Four Britons and three Americans, however, will be alland to remove a church at the Auschwitz lowed to remain in Iraq, Baghdad said. bumanitarian goods. Four Britons and three Americans, however, will be al-

Mr. Somerwill said the absence of the Americans and British would have little effect on the program, which has about 400 staff members throughout Iraq. The program has not been affected and all workers are doing their duties on a normal basis," he said.

Continued from Page 1

represented then, and throoghout the tri-

al, by his legal team.

The Senate would conduct the trial in

open session. At any point, a majority of



A soldier guarding the UN Development Program building in Baghdad, site of a pro-Iraq demonstration Tuesday.

ARABS: Saddam Calls on the Arab World to Support Him

Continued from Page 1

U.S. and British burnanitarian aid ing journalists, criticizing the Iraqi lead-

er for the suffering of his people.

In private, Western diplomats say,
Egyptian officials have expressed little
more than scorn for the declared support that the United States has given to Iraqi opposition groups, on the grounds that none represent a real threat to the Iraqi

TEHRAN - A senior Iranian

justice official was wounded Tuesday

when a motorcyclist hurled a hand

grenade at his car, the official Iranian

press agency IRNA reported.
It said the assailant, who fled, harled

the grenade at the vehicle in which

Hojatolislam Ali Razini, head of the

two passers-by were also wounded in

IRNA said that Hojatolislam Razini.

a conservative Shiite Muslim cleric,

the explosion in central Tehran.

Grenade Wounds Iranian Justice Official

Tebran judiciary, was traveling after Iran's prisons, was killed by gunmen leaving work. Mr. Razini's driver and in Tehran's bazaar. The Iraq-based

Political and Strategic Studies in Cairo.

mats, Egypt, along with Saudi Arabia; was instrumental in securing the postovernment had hoped would take up strikes.

had been "slightly wounded" in the legs and taken to a hospital but that his

No one has taken responsibility for

the attack. It comes four months after

Mohsen Rafiqdoust, a senior econom-

ie official, survived an attempt on his

life in mid-September. In August, As-

sadollah Lajevardi, the former head of

Mujahidin Khalq opposition group claimed responsibility for killing him,

saying he was responsible for the ex-

ecution of political prisoners.

condition was "satisfactory."

"Egypt has made up its mind about "to slow down the train" in the ex-Iraq and there is no way back," said Mohammed Sayed Said, a senior re-searcher at the Alahram Center for Among the incendiary statements that Among the incendiary statements that have fueled tensions was a suggestion

"the only one in this world" who had ponement until Jan. 24 of a meeting of said that Iraq, and not the United States, Arab foreign ministers that the Baghdad should bear the responsibility for the air said that Iraq, and not the United States,

Egyptian officials, a cartoon in Babel, depicted Mr. Mubarak dancing in a female costume to the applause of American, Kuwaiti and Israeli leaders.

Among other Arab leaders criticized by Iraq in recent days has been Crown Prince Hassan ibn Talal of Jordan, the country's acting leader since King Hussein began cancer treatment in the

United States six months ago. Mr. Aziz said that the prince, as well as Mr. Mobarak, was responsible for the postponement of the meeting of Arab

foreign ministers. Most Arab governments, including Egypt, lost patience long ago with Mr. Saddam's regime. But since the Gulf War they have generally refrained from direct criticism, choosing instead to emphasize their sympathy for "the Iraqi people."

CUBA: U.S. Widens Contacts

Continued from Page 1

appoint a commission to undertake a sweeping review of U.S. policy toward Cuba. The White House spokesman, Joe Lockhart, called the proposal "constructive" but said the administration had concluded that there was sufficient bipartisan backing without a commission

to proceed with the latest steps.
Senator John Warner, Republican
Virginia, who had led the effort to forms commission, expressed disappointment. He said that U.S. policy "treated Cuba more cruelly than it did Iraq and North Korea, where U.S. embargoes were less

Critics of the Cuban government had denounced the idea of a commission. A Cuban-American legislator from Florida, Representative Beana Ros-Lehtinen, a Republican, said the new moves masked the administration's 'true intention of normalizing relations with the

Cuban dictator." The announcement Tuesday incloded some steps that appeared intended to appeal to hard-liners in the Cuban-American community who op-pose any lessening of the isolatioo of By the accounts of Western diplo-last week by Tariq Aziz, Iraq's deputy U.S. broadcasting outlets that bear as instrumental in securing the postanti-Communist programming to Cuba, Radio Marti and TV Marti, would be

strengthened. Mr. Clinton, in his statement, said that changes announced in March, following Pope John Paul II's visit to Cuba, had place the U.S. and British aid workers in the country. Baghdad said it could not protect them from popular anger following the U.S.-British air strikes.

Aid workers "have not encountered any problems related to their safety in the past," Mr. Somerwill said.

The browniers and British aid workers in the Largi cause.

The United Arab Emirates and Yes the Largi cause.

Another, in the Largi newspaper Bathed to Cuba, had a "positive impact." At that time, which have expressed some symbolic ment, which have expressed some symbolic ment, which have expressed some symbolic ment, which have expressed for a quick ment, which is owned by Mr. Saddam's the United States restored direct ment, which have expressed for a quick ment, which is owned by Mr. Saddam's the United States restored direct ment, which is owned by Mr. Saddam's the United States restored direct ment, which

In Cuba, where the economy has suffered staggering blows first from the loss of Soviet subsidies, then from drought, followed by a powerful hurricane in September, the infusion of cash is sure to be welcomed.

Under existing guidelines, Cuban-Americans are allowed to send relatives up to \$1,200 a year. The new rules would allow any American to send \$1,200 yearly to any Cuban except top Cox munist Party officials.

Family remittances bring about \$500 million a year to the island. That would work out to about \$40 per person if evenly distributed.

That small amount of money and the millions in tourist earnings have made an important difference, saving many Cubans from destitution at a time whea families rely ou government ration tickets to buy food. It has also, however, added to sharply emerging disparities between those without dollars and those with them, and

capitalism and to those still reliant on the old Communist economy.

An early indication of Cuban reaction to the new measures is expected this week, when a delegation from the Bal-timore Orioles baseball team travels to Havana to explore the possibility of exhibition baseball games with a Cuban squad in March. Such a game would be permitted, the State Department said, only

between those who have made the most of Cuba's tentative openings to limited

if profits went to independent charities.

The choice of the Orioles as sporting emissaries appeared to stem from a visit to Havana in March by the mayor of Baltimore, Kurt Schmoke, who sugges-

ted at the time organizing an exhibition game in the Cuban capital, according to The Baltimore Sun.

the drama — they have insisted on the need for greater specifics about the Tom Daschle, the Senate minority leader, answering questions about trial charges against Mr. Clinton.

Court Compensates Stasi Leader for Jail

BERLIN - Erich Mielke, the aged former boss of the Stasi, the East German secret police, has re-ceived about 1,000 euros in com-pensation for the three months he

spent in jail in 1991, a court spokes-

man here said Tuesday. Mr. Mielke was accused in cases of people shot as they tried to flee over the Berlin Wall. The charges were dropped last year after he was deemed too ill to stand trial. A court had rejected Mr. Mielke's bid for compensation, finding that he likely would have been coovicted had his trial not been halted. But he won an appeal of that ruling, receiving the equivalent of about \$1,180.

Mr. Mielke, 91, was sentenced to six years in jail in 1993 for the murder of two police officers in 1931. He was diagnosed as senile and released in August 1995.

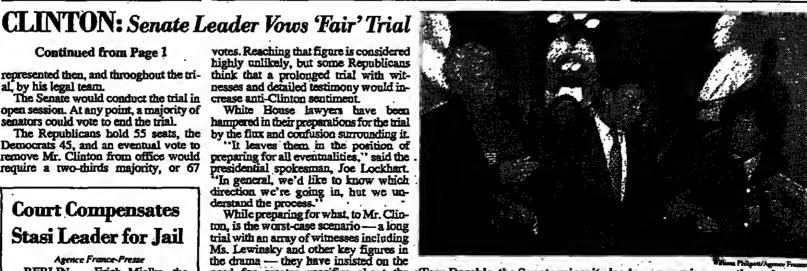
votes. Reaching that figure is considered highly unlikely, but some Republicans think that a prolonged trial with wit-nesses and detailed testimony would increase anti-Clinton sentiment. White House lawyers have been

hampered in their preparations for the trial The Republicans hold 55 seats, the by the flux and confusion surrounding it. "It leaves them in the position of preparing for all eventualities," said the . presidential spokesman, Joe Lockhart. 'In general, we'd like to know which direction we're going in, but we un-derstand the process."

While preparing for what, to Mr. Clioton, is the worst-case scenario — a long trial with an array of witnesses including Ms. Lewinsky and other key figures in That, too, will be for the Senate to

matters by simple majority vote, over-ruling the justice if they wish. Mr. Lott has been struggling to draft an approach acceptable both to Democrats, most of whom want a speedy trial, and to Republicans, who are divided on the matter. Members of both parties will meet separately Wednesday to try to reach agreement on procedure for a trial.

The proposal that Mr. Lott and Mr. Daschle have promoted for a truncated procedure — it was drafted by Senator Slade Gorton, Republican of Washington, and Senator Joseph Lieberman, Democrat of Connecticut - has been harshly criticized by many conservative Republicans, who insist that a full trial, probably with witnesses, is needed.



decide. While the Supreme Court chief justice presides over an impeachment trial, senators can decide on procedural JAPAN: Tokyo Plays Down a Minister's 'Inappropriate Remarks'

Continued from Page 1

"I would like to apologize sincerely for the inappropriateness of my remarks and I withdraw them," he said.

Hiromu Nonaka, the chief cabinet secretary, said at a news conference. Tuesday that Mr. Nakamura had made 'very inappropriate remarks" and that the matter was serious. But he added that the justice minister had also shown remorse, and the government seems to regard the matter as closed.

Countries like China, South Korea and North Korea get nervous whenever not feel free to express them because the Japanese talk about changing their constitution and especially Article 9, which forever renounces "the threat or

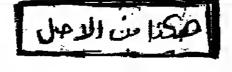
use of force." It also says that Japan will never maintain "land, sea and air forces, as well as other war potential."

In fact, Japan manages to have the most impressive armed forces in Asia and the third-largest military budget in the world through its deployment of what it calls "self-defense forces."
Such forces, Tokyo argues, are not banned by Article 9.

It is difficult to gauge how widespread Mr. Nakamura's views are. Many conservatives in Japan say that views like his are common but that politicians do they get in trouble with the news media whenever they say such things.

bugely overrepresented in the Japanese political system, Mr. Nakamura's sentiments seem to resonate with many ordinary voters. There is deep resentment at what is perceived as American bullying and insistence on ruthless free market policies, and many people also feel that half a century after World War II it is time for Japan to stand up and adopt a more muscular constitution and foreign

There have been growing calls for revision of the constitution, in large part to allow armed forces and military activities. But due to the sensitivity of the issue, it is expected to be many years Particularly in rural areas, which are enacted. before any changes might actually be



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By Mike Zwerin

Folklors has it famous cornetist who was his father's mentor. Folklore has it that Bix awoke the future tunesmith by suggesting: "Why don't you write music, Hoagy?"

Hoagland Howard Carmichael (1899-1981) was born in

Bloomington, Indiana, and is best known as a songwriter—
"Stardust," "Lazy River," "Baltimore Oriole," "Skylark,"
"The Nearness of You" and "Hong Kong Blnes," and something like 700 others.

He also acted in such movies as "To Have and Have Not," "Young Man With a Horn," "The Best Years of Our Lives" and "Topper." He acted as host for "The Saturday Night Review, 'a popular variety program on early television, and 'played a hired ranch hand in the western series "Laramie."

His long angular deadpan face and Midwest twang are easily remembered even when he isn't sitting at the piano playing ragtime or singing with what he called his "flatsy-ihrough-the-nose-voice." He oever studied music, acting or, though he wrote his two-volume antibiography without the

though he wrote his two-volume antohiography without the help of a ghost, writing.

It quickly became a household face. Ahead of his time, invening his own music-based eclectic personage, something Steve Allen would do later, he was known for his physical

presence, for what he had to say and how he said it as much as for what he did. One thing be did not do — with very few exceptions, "Rockin' Chair" for one — was write his own lyrics (Mitchell Parisb wrote the words for "Stardust").

The planned centennial events include new editions of "The Stardust Road" and "Sometimes I Wunder," his autobiographies, a "Country Sings Carmichael" concert in Nashville: a "star-studded" concert at the Royal Ascot Racecourse in England; a memorial concert in Bloomington, and a compilation CD of new recordings by well-known artists.

The music historian Richard Sudhalter has finished a new hiography, and a pair of songbooks will be published early this year. "Ole Buttermilk Sky," a CD compilation with the somposer performing 24 of his songs, was released late last fear. And there are plans for a Broadway musical using Carmichael's songs.

the firm Carmichael and Carmichael, no relation, in Palm Beach, Florida. "He was out of there fast," Hoagy Bix said. "He was beginning to hear his songs on the radio and be'd ask

himself what the heck he was doing in an office. Anyway, all he ever did down there was play the piano."

There is a story about a musician waking up in the middle of the night with a beautiful melody in his head. He dragged



Hoagy Carmichael in a photo from the 1940s.

verse being complimentary but still strong enough to stand on its own, the total is a kind of tone poem that somehow belongs to us all. Nothing is superfluous, and there is nothing to add. 'Stardust' is like a ballet. One step follows another with graceful inevitability.

Carmichael loved the Beatles, even though their style eplaced his in the 1960s. "That was it." Hoagy Bix said. "My dad stopped writing when rock arrived. He was 67, he had 12 or 13 healthy years ahead of him. But nobody wanted to listeo to those kind of snogs any more. People stopped returning his calls."

Why fight it? After writing "Stardust," Carmichael said he had "the queer sensation that this melody was bigger than me." Maybe he just knew that it was as good as it would ever get. What was the point? He didn't need the money. "Stardust" was and still is the most recorded song in the history of American popular music, with more than 2,400 covers. You

never get fired of listening to it.

Performing "Stardust," Louis Armstrong sounds like he wrote it in the first place (you get the same feeling from the two franchise versions of Carmichael's "Georgia on My Mind" by Ray Charles and Billie Holiday). Other notable renditions of 'Stardust' include Ella Fitzgerald's, Frank Sinarra's (an elegantly minimal 2 minute, 46 second version of the verse alone), After earning a law degree, he worked as a young man for Artie Shaw's (one of his higgest hits), Willie Nelson's (ditto) and, more recently, illustrating its continuing relevance, Natalie Cole's (as with Nelson's, the title song of an important alhum) and Wynton Marsalis's, adding some fancy modal scales.

Although Carmichael never again wrote songs, it had apparently once been very easy for him. Hoagy Bix explained: My dad always said that all these tunes are already in the piano keys. All you have to do is find them. He would wake up himself out of bed, wrote it down and went back to sleep. In the morning and go looking for all that stuff, which was there morning it turned out to be the verse of "Stardust." With its anyway. He'd say, 'First one who finds it gets to keep it.'

New Light on Sydney Festival

By Jo Litson

YDNEY — For his first Sydney Festival, last year, Leo Schofield lighted the Sydney Opera Hnuse with a brilliant blue to tie in with the Yves Klein exhibition at the Museum of Contemporary Art opposite. There had been slide projections on the Opera House sails in the past, but it was the first time the huilding had ever been bathed in a cnlor wash.

It looked spectacular and it sent out a message: The Opera House would be the epicenter of Schofield's festival. In so doing. Schofield, the artistic director, gave the festival n focus that it had previously lacked (a move begun by his predecessor, An-thony Steel, who had centered

much of his programming around the harbor). once again, a huge amount of

activity happens in and around the building. Outside, the Spanish theater company Els Comediants takes over Circular Quay and the npera's forecourt. Inside, eveots range from William Walton's mighty choral work, "Belshazzar's Feast," to flamenco from Madrid's Campanas Flamencas 10 the Broadway star Pani LuPone.

'One of the scariest statistics I was ever given was that 75 percent nf Sydneysiders had not attended an eveni in the Sydney Opera House," Schofield said. "I would think 100 percent have been to it and walked around it or watched fireworks from it, but it's get-

ting them inside it."

The Sydney Festival is 22 years old.
Established to bring life back to the city during the summer vacation period when tourists abound but most of the locals have headed for the beach, it has always been a mixed bag embracing 'high art' and decidedly populist events like the oow traditional Ferrython on Australia Day and the free outdoor concerts -Opera, Symphony and Jazz in the Domain. But, in recent years, despite some memorable programming, it had become such a mixed bag that it had no clear profile, while its use of venues around town (with little in the Opera House) gave it no focal point.

Schnfield arrived at the Sydney Festival after three years as artistic director of the Melbourne Festival, where his appointment had caused howls of outrage. Having spent nearly three decades running parallel careers in advertising and journalism, gaining a high profile as a restaurant reviewer for the Sydney Morning Herald (not destined to endear him to Melbournians). The Age newspaper described his appointment as "an embarrassing mistake." However, "Mr. Sydney" as they dubbed him, quickly won everyone over and his three festivals in Melbourne were outstand-

ingly successful.

When he was appointed in Sydney there was a frisson of suspicion, but the success of his 1998 festival, which broke all records, raising box office revenue to 3.8 million Australian dollars (\$2.3 million) from 2.2 million, quickly put an end to that. He also used his considerable networking talents — Schoffeld seems to know everyone — to double corporate sponsorship. This year that

Under the artistic director Leo Schofield the festival has During this year's festival (until Jan. 26), the Opera House gleams fiery red and,

> figure is up again, to around 4.5 million dollars (the overall budget being 11 million dollars, including government funding, box office and sponsorship).
> Under Schofield the Sydney Festival

> has become largely a music event. "Maybe it's a particular interest of mine, but you didn't have to be a genius to see that in Sydney the biggest numbers were attracted to musical events such as symphony and opera in the park," he said. "O.K., they were free events, but I took a punt nn the fact that they would come to other musical events, and bedged my bets a bit with the \$10 Proms." The loss of the Brisbane International Festival of Music further convinced him that music was an area worth expanding. His hunch proved right and audience figures soared.

> In 1998 he brought in the Russian National Orchestra. "I wanted to send early signals that the festival would change and that one of the ways of doing that was to bring in big-name enmpa-nies," Schofield said. "I want to balance the big, free, popular events with big box office. There was all this money going into popular events and not much money

> going into the arts program."
>
> The centerpiece of this year's music program is De Nederlandse Opera's acclaimed production of Mnnteverdi's "The Return of Ulysses" — the first time an international opera company has been hrought to Sydney since 1912. It is Australia's isolation that makes

festivals so important to the country. Schofield reasons. "Our remoteness precludes comparison, so our tastes are formed by one or

two companies in each city," he said. "If you live in a grand ioternational metropolis, companies visit, or if they don't you can hop on a train or a plane to see a production in Paris, or wherever. That's not possible here and I think the public has come to recognize that within the highly compressed and feverish atmosphere of a festival, there is an opportunity for their tastes to be elevated as well as for the local companies to measure their work against the international best."

Other musical events include the British string septet The Gogmagogs, with a radically athletic approach to classical music; the "Queen of Salsa" Celia Cruz; the Parisian pianist Philippe

Cassard, and the \$10 Proms at the Sydney Town Hall, which feature international and Australian artists per-forming the kind of things you are unlikely to hear in subscription programs: the Sydney Symphony Orchestra

playing a jazz program and the Australian Chamber Orchestra playing William Waltnn's "Facade," the composer's widow, Lady Susana Walton, and the Australian actor John Bell narrating Edith Sitwell's poems, and ninvie music from films including 'Psycho.'

There is also the now traditional celebration of the outdoors with a large number of free outdoor events: the OpenAir Cinema at scenic Mrs. Macquarrie's Point, the Festival de Cuba on the Darling Harbour floating Acquashell, Sculpture on Site at the Rnyal Botanic Gardens and various other locations including the Sydney Opera House foyer.

"Fifteen percent of our audience are visitors," Schofield said, "We run the Sydney Festival for the people of Sydney and anyone who happens to be in town, so it has to have a different feel tn ii. li's a very summer spin, It kind nf celebrates elements of the city we like to think are part of nur lifestyle - the relaxed music concerts in the park, the gathering together for big circus events [Cirque du Soleil in 1999], the gathering around the ceremonial heart of the city. which is the Sydney Opera Hnuse,"

Other highlights of the 1999 Festival include "Grimm Tales" from Britain's Young Vic Company, Vietnamese water puppets in the Royal Botanic Gardens, "Possessed" by the Meryl Tankard Australian Dance Theatre, a Warhol exhibition at the Museum of Contemporary Art and "Classic Cezanne" at the Art allery of New South Wales.

Jo Litson is an Australian jaurnalist.

A Bountiful and Dramatic 1999?

By Sheridan Morley

International Herold Tribu ONDON - Having taken a gloomy view last week of the British theater in 1998, can I hope to be more optimistic about its prospects for 1999? Well, just maybe. Clearly none of the financial. administrative or architectural crises I outlined are going to disappear, but as we approach the end of the century there from Simon Callow the first new stagwill have to be some sort of resolution of quite different

but not insoluble problems. What do we know we are going to get? The musical of the year looks quite likely to be a Broadway import, Julie Taya Broadway import, Julie Taymor's "The Lion King," which on a hudget of some \$15 million has the dubious dis-

tinction of being the most expensive show ever staged anywhere. Without rejudging the Loodon production, which opens in September, I have to declare some doubts about the original triumph. Yes, Taymor is an extremely experienced puppeteer and designer, and has commendably taken the original movie in her own unique direction rather than just staging the film as best she could, as was the case with "Beauty and the Beast." the other big Disney

stage his of the 1990s. And yet I have to declare my terrible secret: I actually prefer "Beauty and the Beast." Not just because it has an infinitely better score, but because it has the courage of its own kitsch. It never pretends to be anything other than latterday, rip-off Rodgers and Hammerstein. "The

Lion King" wants to be good for you; it pany "Richard III" into the Savoy, has a kind of minimalist educational worthiness, like a school project rather than a showbiz celebration, and where was it ever written that musicals were supposed

to be good for you? Elsewhere on the musical froot, we are back to Broadway nostalgia. "Okla-homa!" and "West Side Story" will probably run through the West End year. Perhaps more intriguingly, we get ing over bere in about 40 years

of "The Pajama Game." But 1999 may well prove more notable in the regions than in town: The rebuilt Manchester Royal Exchange offers Tom Courtenay as King Lear, David Threlfall as Peer Gynt and

Richard Wilsoo in "Waiting for Godot." And thanks to the great Japanese director Yukio Ninagawa we will also get a "King Lear" with Nigel Hawthorne.

Farther north, the Glasgow Citizens will celebrate the Noel Coward centennial in characteristically adventurous spirit with his epic "Cavalcade," while the National Theatre in London will offer up "Private Lives" starring Juliet Stevenson. At the West Yorksbire Playbouse in Leeds, Ian McKellen is ending his residency with "The Tempest." Timothy West and Prunella Scales, meanwhile, will take Harold Pinter's 'The Birthday Party" on the road, and the veteran Dulcie Gray will offer a first staging of the classic film comedy "The

Back in the capital, Robert Lindsay will bring his Royal Shakespeare Com-

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Gorky's "Vassa" for the Almeida and, in a good time for Russian rediscoveries, Alan Ayckbourn will take Ostrovsky's "The Forest" to the National. Michael Frayn's brilliant, intellectually demanding atom play, "Copenhagen," moves from the National to the Duchess, while Richard Nelson's intriguing account of the birth of the BBC, "Goodnight Chil-dren Everywhere," comes from Strat-ford to the Barbican for the RSC.

Major revivals are planned of David Hare's "Plenty" (with Cate Blanchett, whn starred in the film "Elizabeth"). Anthony Shaffer's "Sleuth" and Tnm Stoppard's "The Real Thing." In addition, there will be one of the greatest of all 1980s plays, the late C.P. Taylor's collaborationist classic "Good."

In terms of the traffic from London 10 New York, we have gone back to plays rather than musicals. Hare's backstage Amy's View' sets up Judi Dencb among the Tony contenders, while the playwright will also be playing his own Israel solo, "Via Dolorosa.

"The Weir," the Diana Rigg Racine double ("Phedre" and "Britannicus") and the Zoe Wanamaker "Electra" are a few of our "legit" gifts to the Great White Way, while in return we are still supposed to be getting Christopher Plummer's 'Barrymore' There is also talk of Sheila Gish appearing in Ten-nessee Williams's Suddenly Last Summer," and of Hal Prince directing a new version of "Miss Julie" by Frank McGninness

So maybe things aren't looking sn

GLAMORAMA By Bret Easton Ellis, 482

pages. \$25. Alfred A. Knopf. Reviewed by Michiko Kakutani

BRET EASTON ELLIS doesn't need the National Lampoon to turn him into a parody - with "Glamorama," he's done it himself. This glutinous hodge-

podge of a book takes all the most glaring flaws of Ellis's recent work — compulsive name-dropping, an obsession with designer clothing, a fascination with gratuitous, gruesome violence and a cast of interchangeable fatuous people - and tries to pass them off as a novel.

The book's sloppily contrived plot concerns the adventures of an MTA (model turned actor) and his encounters (or perceived encounters) with a group of MTTs - that is, a group of mndels turned terrorists who wear Kevlarlined Armani suits and blow up hotels, subways and airplanes with bombs carefully packed in Prada backpacks and Louis Vuinon tote bags. The result isn't the amus-

ing satire that such a summary and glossy photos of them-

FICTION

lugubrious, repeddous tale that crams more celebrity names and more designer laany book in recent memory, Andy Warhol's "Diaries" a work, unlike "Glamorama," that at least had the

The sociological observanovel, "Less Than Zero" pages and pages of crashingly awful dialogue that would

make Judith Krantz cringe. People in "Glamorama"

BOOKS

might suggest. The result is a selves in treody magazines. bels between two covers than carlier work. In fact several of

lure of real gossip to engage the reader's interest.

tion that animated Ellis's first (1985), has given way to mindless W-like recitations of guest lists and celebrity sightings, gussied up with some heavy-metal horror and

say things like "You know I put the stud back in star-studded" and "Take your passion and make it happen." talk about "power florists" and "spokesmannequins," and they boast about knowing

people who signed suicide notes with smiley faces. The most important things in the world to them are designer clothes, good tans, great abs (men), toned arms (wnmen)

Certainly this world of of people losing limbs and jaded narcissists will be fa-niher body parts and dying in miliar to readers of Ellis's the characters in this novel are with the possible exception of slightly older versions of of a movie starring Victor. It's people who appeared in his also possible that they are 1987 college novel "The scenes in a real-life snuff film, Rules of Attraction." They or, given Victor's fondness

have left Camden College, migrated to New York and become part of the club scene. Victor, the narrator of this book, is supposedly the "It Boy of the mnment" - a hip, happeolog, gorgenus

open a new club in Manhathe's also carrying on with Al-ison, Damien's francée, and that reality in a world based on aisons get Victor into trouble, and nihilism to murder. and when a mysterious, man named Palakan affers him the leap Ellis wants us ta S300,000 to go to Europe and make from the world of beaufind a former Camden class- tiful narcissists to the world mate named Jamie Fields, he

readily agrees. In Europe. Victor meets a tween models, however selflot of celebrities, and he also absorbed, and bloodthirsty meets a famous model named Bobby Hughes whn runs a ferences between fashion-obterrorist cell made up of high- sessed hipsters and Hitler. profile models recruited for whom Ellis has the nerve to their ability to stand around and take directions.

Bobby's gang, which now includes Victor, blows up a political studies center in Paris, a Parisian café, an underground train, the Ritz Hotel and a 747 flight to New York, in the process killing and maiming scores of people. They also torture several friends to death and murder one of Victor's girlfriends. Ellis uses these incidents to bunks it. This time around, it indulge bis grisly taste for results in characters whom the

ican Psycho" (1990), the reader is subjected to detailed,

even rhapsodic descriptions pain and humiliation.

These scenes, Ellis suggests, may or may not be part or, given Victor's fondness for chemicals, hallucinations in his drug-addled brain.

By the end of this interminable novel, the reader is too numb, too bored to really care about such distinctions. Nor does one care about the young thing" who, in addi- flimsy morals Ellis tries in attion to modeling and acting, is tach to his story: that the helping his boss. Damien, selfish image-obsessed world inhabited by Victor and his tan. Victor is not only dating friends can easily mutate into the "supermodel" Chloe, but a world in which people are Lauren, Damien's girlfriend appearances is elusive, that Needless to say, all these li-narcissism is akin to nihilism

It's awfully hard to make nf coldblooded killers: There are, after all, differences beserial killers; there are difquote in an epigraph to this novel. ("You make a mistake if you see what we do as merely political.")

li is equally hard in understand why Ellis wants to spend so much time (in this novel and every other book he has written) chronicling a world he seems to recognize as shallow, mercenary, cynical and meaningless - a world he glamorizes as much he dedeath and mutilation. In pages reader and Ellis have nothing reminiscent of Ellis's will- but contempt for, and a novel, fully perverse novel "Amer- as Victor might say, that "equals yuck."

New York Times Service

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Indonesia Takes Aim At Poverty

New Budget Features Help With Basic Items

Compiled by Our Staff From Disputches JAKARTA — Indonesia unveiled an anstere budget Tuesday that aims to keep a tight rein on spending while trying to ease growing poverty in the world's fourth most populous country.

Under the new fiscal plan, the first presented by President B. J. Habibie, government spending will drop 17 per-cent, to \$27.8 billion. Much of the money will go for subsidies on fuel, electricity, rice and medicine as well as programs to

help the huge number of poor people among the population of 210 million.

But the budget relies on about \$10 billion in foreign aid to hold its deficit to 4.8 percent of gross domestic product. Government officials would not identify a clear source for the aid, saying they were holding talks with lenders including the International Monetary Fund ing the International Monetary Fund and the World Bank

The plan forecasts no economic rowth in the year ending March 31, 2000. Indonesia's economy has contracted an estimated 12 percent in the current fiscal year, in the country's first recession in three decades.

The budget also sets aside the first public funds to rescue the nation's ailing banks. It calls for 18 trillion rupiah (\$2.25 billion) to be used to recapitalize ailing financial institutions. But it also calls for 16 trillion rupiah to be conintitributed by the owners of 14 banks that received help from the central bank to keep them atloat last year.

"The bank-recapitalization program is quite a burden for the budget," said Muhammad Chatib Basri, an economist at the University of Indonesia. "But there is no other choice, and the recapitalization program must be a success."

The country is still burdened with high interests rates, aluggish exports and a corporate foreign debt of \$80 "The government is aware that Indonesia's economy has not yet re-covered," Mr. Habibie said in a na-

tionally televised speech. "It is still far from a normal condition." Conscious of the burden being borne by millions of ordinary Indonesians reelday in Parliament in Jakarta.

economic collapse, the government has given priority to development of so-called social safety net programs.

projects," said Ginandjar Kartasasmita the economics minister, "There will be small projects scattered in regions." Mr. Ginandjar said the main priority

given more autonomy in managing the safety-net program, he said. and slipped into poverty, and inflation

soared to nearly 80 percent last year. The economic turmoil reversed years of steady growth and set off riots that helped oust President Subarto in May after 32 years in power. Financial markets greeted the budget warmly, with the benchmark Jakarta



President B. J. Habibie delivering the national budget speech Tues-

ing from the effects of the country's

"None of the budget expenditure is for projects like dams, toll roads or other big

would be on job-creation projects to help alleviate hardship among the poor. Regional governments would also be Millions of Indonesians lost their jobs

composite index rising 3.7 percent, to 408.70 points. The rupiah strengthened, with the dollar slipping to 7,4000 rupiah from 8,000 rupiah Monday.

(Reuters, Bloomberg, NYT, AP)

How Strong a Euro? Debate Begins in Europe

Italy Raises the Possibility of a Rate Cut, but Elsewhere the Emphasis Is Mostly on Stability

By Alan Friedman rational Herold Tribune

ROME — A day after the euro's powerful debut, Italy's Treasury minister warned Tnesday that the European Central Bank could cut interest rates if the new single currency were to become too strong, while J. P. Morgan forecast an even more robust euro this spring.

But with the earo still a newborn, there was less concern elsewhere in Europe about the currency's eventual strength, with business associations in Germany and France emphasizing the importance of a stable euro rather than an overly strong or weak entrency.

Rebeccah Patterson, a currency strategist at the London office of J. P. Morgan, predicted that against the backdrop of a global slowdown, the U.S. economy would weaken more quickly than Europe's, creating a difference in interest rates across the Atlantic that would cause the euro to strengthen by June to \$1.31. On Tuesday, its second day of trading, the euro stood at \$1,1778, against a Monday close of

"If the euro gets too strong, we would

because of the fear that Euroland-originated exports would be affected ad-

versely," Miss Patterson said Tuesday. In Italy, Carlo Azeglio Ciampi, the Treasury minister, told the Corriere della Sera newspaper that the euro's initial strength against the U.S. dollar was "an expression of strong trust" in the new currency. But he added that if the curo were to appreciate too much against other currencies, reducing in-

terest rates could be the remedy. There are well-known means of intervention," Mr. Ciampi said, "and the differential in interest rates between European countries and other countries could fall."

The concern of some European officials and economists is that exports could suffer if the euro strengthens too Indeed, on Tuesday, the German eco-nomics institute DIW cut its 1999

growth forecast for the 11-country curozone to just 1.9 percent, saying that weak global demand would result in

falling exports. (Page 13)
Gustav Adolf Horn, a DIW economist, said that the European Central

expect this to lead to interest-rate cuts Bank should cut its key interest rate, now standing at 3.0 percent, by half to threequarters of a percentage point this year.

Many European economists say the European Central Bank will bring rates down to about 2.5 percent within six months, not merely because of slowing growth and the risk of exports being hit by a strong curo but also because of signs of deflationary trends in big economies such as Germany's.

J. P. Morgan is forecasting a growth rate in the euro-zone countries of just 1.6 percent in 1999 but contends that since U.S. growth could be as low as 1 percent for the year, the U.S. Federal Reserve Board is likely to cut interest rates faster than the European Central Bank does, resulting in a strengthening of the euro.

Not everyone is worried about the euro being too strong We don't have the feeling that the euro will be so strong that it will limit our exports," said Andreas Roeren, director of marketing strategy for Volks-wagen AG in Wolfsburg, Germany.

In Cologne, Reinhard Kudiss, senior economist at the Federation of German · for Vivendi SA, an infrastructure and Industries, also took the view that the euro was unlikely to strengthen so much

the dollar oscillated by 10 percent up and down with the Deutsche mark, but German exports were good anyway,' he said.

In Paris, meanwhile, a representative of the French Employers' Federation quoted Denis Kessler, the deputy chairman, as having said recently that he hoped the euro would be "neither strong nor weak," as long as its value did not

damage European competitiveness.
In Rome on Tuesday, Prime Minister Massimo D'Alema said he did not think the euro's strength would be a big factor. "After all," Mr. D'Alema said, more than 85 percent of European trade is inside Europe, and that helps Europe to enrich itself."

In related news: • The European Commission launched a 2 billion euro (\$2.37 billion) Commission bond issue for European Union project financing and for Euratom, the European Union's nuclear energy arm.

 Societe Generale in Paris announced a 1.5 billion euro convertible bond issue public-works group, the first convertible bond issue in the new currency.

SAP's Report of Profit Slowdown Shocks the Market

By John Schmid tional Herald Tribune

FRANKFURT - SAP AG, the biggest software maker in Europe, stunned the stock market Tuesday with sharply lower-than-expected 1998 earnings and blamed the poor showing on the economie slump in Japan and Russia.

After years of wildly successful growth, SAP's failure to meet its own targets led to a sell-off on the Frankfurt Stock Exchange. Only a day after the launch of Europe's single currency unleashed a German share rally, Tuesday's plunge in the heavily weighted SAP shares helped drag the broad mar-

At their low point, SAP's preferred shares had lost 20 percent of their market value, to stand at 308 euros (\$363). They finished at 328 euros. The company's common shares closed at 287 euros, down 58; or 17 percent.

The shares, which are the fourth most heavily weighted in the 30-share bluechip DAX index, helped knock 27 points, or 0.5 percent, off the DAX, which ended at 5,263.41 points after

recovering from heavier losses.
"No one expected this," Frank Rothange, an analyst at Oppenheim Fin-anzanalyse in Frankfurt, told Bloomberg News. Slowing growth, he said, "is a problem for the whole industry, and it's a sign that SAP isn't immune. Citing a worse-than-feared slow-

down in Japan, SAP said its 1998 pretax

earnings rose 15 percent, well below the rise of 30 percent to 35 percent that its executives forecast as recently as Oc-SAP, which ranks by sales as the world leader in software for minning

companies, withheld detailed earnings figures and said it would release a full 1998 financial report Jan. 26.

The profit increase seems anemic by past growth standards for SAP, which stands out as a European success story in an industry dominated by U.S. software giants. The 15 percent pretax-profit rise

follows a 72 percent rise in 1997, to 1.67 billion Deutsche marks (\$1 billion).

Sales managed to meet in-house targets, rising "nearly 40 percent" last year to 8.4 billion DM, it said. That followed a 62 percent rise in the previous year, to 6 billion DM. SAP said Japan's weak economy had

prompted many companies to suspend software investments, leading to a loss of roughly 200 million DM in the fourth quarter. The sales setback came just three years after a promising break into the Japanese market. Before Japan's economic crisis, SAP viewed Japan as a major growth market.

'It's astonishing that two-thirds of the business we had lined up has been delayed," SAP's co-chief executive, Henning Kagermann, told Reuters. That's not business we have lost. The pipeline is very strong for this year."

In Russia, the company's pretax earnings fell 40 million DM behind projections. Analysts who follow the company said Russian customers appeared on the R/3 platform.

to be late in paying for installation of the new software.

SAP's flagship R/3 program, which integrales every facet of a company from sales and inventory to buman resources, has become a de facto standard for the industry, with many other software companies writing their programs to be compatible with it.

SAP, which has seldom disappointed investors in the past, now seems destined for several quarters of slowerthan-usual growth, analysts said. The company itself conceded that its sales probably could not keep pace in the new ear. After a 40 percent sales increase last year, it expects a rise of 20 percent to 25 percent this year, it said.

Despite what some see as a looming slowdown, SAP remains confident of future growth. It expect sales to double in the next three years, partly because it has hired 6,500 specialists to market R/3. It also expects growth in the future from a plethora of new programs to run

Apple Fest Looks Cheery, for a Change

By Hiawatha Bray

SAN FRANCISCO - Nearly two years after advertisements for Apple Computer Inc. began imploring computer users to "think different," the company has given the entire industry plenty to think about.

After a long period of losses and plummeting sales for its Macintosh computers, Apple has mounted a comeback. Its

Macintosh computers, Apple has mounted a comeback. Its new iMac personal computer has become the best-selling desktop machine in America, expanding Apple's share of the market for the first time in years. Better yet, the company is making money again — \$309 million in its 1998 financial year, which ended in September.

As a result, this week's MacWorld, a gathering in San Francisco of Apple computer users, is the most upbeat such session in a long time. A crowd of about 600 people responded Monday with cheers to the perceting from the computer-industry journalist eting from the computer-industry journalist David Pogue: "Welcome to the first MacWorld

conference that nobody thinks will be the last MacWorld conference. But despite the revival of Apple's fortunes, challenges lie ahead. Apple is profitable once again, but it is an open question whether the

again, but it is an open question whether the company can secure its long-term survival.

"They did the phase where they cut and tightened up and got into shape," said Bruce Stephen, an industry analyst at International Data Corp. in Framingham, Massachusetts. But although Apple has gained some market share, he said, "We think they're soing to be a niche player."

going to be a niche player."

A close look at Apple's 1998 results shows that most of the company's profit came from cost-cutting, including the elimcompany's profit came from cost-cutting, including the elimination of 4,200 jobs and a reduction in spending on research and development. Lower spending on research is a risky move for a high-tech company. Meanwhile, unit sales of Macintosh computers declined in its last financial year, to 2.76 million from 2.87 million in 1997.

But in August, Apple introduced iMac, and the elegant desktop machine has led to a burst of new sales. The market research firm PC Data Inc. reported last week that Apple's iMac was the best-selling personal computer in America in November. The iMac represented 9.1 percent of all PCs sold, by dollar volume, in November, up from 6 percent in August. Originally priced at \$1,300, the iMac represented the company's attempt

to regain a foothold in the home-computer market. [Apple said Tuesday it had sold 800,000 iMac computers since their introduction, and it announced a lower-priced, multicolored line-up of the machines, Reuters reported. Apple said it would offer the new iMacs with a faster processor and

Cross Rates

colors ranging from lime to blueberry at a price of \$1,199. The company will continue to offer the original turquoise iMacs for a limited time at \$1,049.

for a limited time at \$1,049.

[At the MacWorld Expo, Apple also introduced a line of its Power Macintosh G3 professional desktop computers aimed at graphic designers and home users with a thirst for graphics-heavy power. Apple also unveiled a new operating system for server computers that manage networks. Mac OS X Server is designed for use in Internet publishing, Web-applications development; print publishing and education.

["Our new Power Macintosh G3 and new iMacs in five stunning colors give Apple its strengest and most imposative."

stunning colors give Apple its strongest and most innovative product lineup in years," said Steve Jobs, Apple's co-founder who returned to the company in 1997 as interim chief executive.

'And Mac OS X Server software is very modern server software, opening up an entire new business for Apple.

Anecdotal evidence suggests that the iMac is finding a place in many businesses as an inexpensive computer that connects easily to corporate data networks. Keith Geck, Apple's vice president for business sales, cited a recent sale of 300 iMacs to Genentech Inc. of San Francisco, a major biopharmaceutical firm. "We're begin-

major biopharmaceutical firm. "We're beginning to see good acceptance of iMac inside organizations," Mr. Geck said.

But barriers to greater acceptance of Macintosh computers remain formidable. Tim Bajarin, president of Creative Strategies, a computer-industry research firm, sobered the crowd by declaring that Macs would never make up more than 10 percent of all desktop machines. "Whether we like it or not,"

e said, "the desktop war is over." The winner, of course, was Microsoft Corp., whose Windows software is on well over 90 percent of the world's

Apple cannot hope to prevail over the long run by simply selling to its base of loyal customers, Mr. Bajarin said. "They need new users if Apple is to be around five years from now," he said. He hopes the company can find these new users in the millions of households that still lack cheap, easy-to-use computing devices. Apple, he argued, is well placed to serve that market. Many industry-watchers had expected Apple to address the home computing market this week by showing off a new portable — a sort of entry-level laptop. Apple is known to be working on sort a device, but last week company officials denied that these machines would be on display at MacWorld.

It remains unclear whether Apple can maintain its recent profit level while selling cheaper machines. The company's gross margin on sales was a healthy 25 percent in the last quarter of 1998, but even Apple officials predict that this will come down because of the need to slash prices.

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Officials Predict Clinton Won't Back Curbs on Steel Imports

WASHINGTON - President to steel companies' complaints Tuesday. about cheap foreign steel hitting the U.S. market, U.S. officials said

Mr. Clinton was close to sending Congress, said the officials, who snoke on condition of anonymity. They also said the report was unlikely to include an endorsement hy the president of steel-import restraints, which would be a sharp departure from America's free-trade

Meanwhile, Nippon Steet Corp. and Pohang Iron & Steel Co. of South Korea, the world's two largest steelmakers, are slashing exports in reaction to accusations that non-U.S. companies have sold steel at unfairly low prices in the United

Nippon Steel, which expects steel ontput to fall to a 29-year low in the financial year ending March 31, halted exports of hot-rolled steel to said Moon Sung Sik, manager of the have mounted an extensive cam-

the United States "almost com-pletely" in November in reaction to Bill Clinton is unlikely to endorse the trade dispute, Hiroshi Nakashisteel import restrictions in response ma, a company spokesman, said

Pohang Iron & Steel Co., known as POSCO, intends to cut its exports by almost 4 percent, to 7.3 million metric tons, the Seoul Economic his report on the steel controversy to Daily reported, citing remarks by Congress, said the officials, who POSCO's president, Yoo Sang Boo. Nippon Steel and POSCO accounted for 7 percent of world steel production in 1997

> industry leader USX-U.S. Steel, have complained that rivals from abroad are selling steel in the U.S. market at below cost, a practice known as dumping. The complaint, filed Sept. 30 and now before the U.S. Commerce Department, could lead to tariffs on steel imports.

POSCO, which is not included in the complaint by U.S. steelmakers. said it was cutting exports to defuse any potential disputes.

The company "wants to forestall trade conflict with other countries,"

steelmaker's export planning team. The report by Mr. Clinton comes in response to legislation passed by Congress last year requiring the White House to submit its plans for helping U.S. steel companies cope with a flood of steel from abroad that has sent domestic prices plummet-

ing and forced shutdowns at several

. steelmaking facilities. Bnt instead of advancing new initiatives, the report that was being discussed within White House councils mainly recounted what the U.S. steelmakers, including the administration had already done on the steel issue, such as speeding consideration of dumping complaints brought by the U.S. in-

dastry. Sources said other actions were to be presented as possible topics for discussion with Congress and the industry, although they emphasized that the report was still being debated and might be changed or

delayed as a result. The administration's approach risks deepening the anger of steel companies and steelworkers, who

to press for protection against im-

DOITS. and economic dilemma for the adsympathetic to the howls from steel communities that they are being unfairly victimized by the global financial crisis, which has caused fi-Japan, Russia and South Korea to export more of their steel at cut-rate stagnate and their currencies tumble. Moreover, the White House

Democratic Party's gains in last year's congressional elections. On the other hand, administration foster a wave of protectionist sen-

Accordingly, the report will de-vote much of its focus to making the case that the administration has levels. (Reuters, Bloomberg, WP)

paign in recent months under the already taken tough action while rallying cry "Stand Up for Steel," remaining true to global trade rules. Sources familiar with the report said it would note, for example, that after The steel issue poses a political the steel industry filed dumping complaints against Japan, Russia ministration. The White House is and Brazil last autumn, the Commerce Department agreed to consider the cases on an expedited basis, raising the prospect that stiff duties would be imposed retroactnancially ailing countries such as ively on steel currently being imported from the targeted countries.

Moreover, Mr. Clinton and sevprices as their domestic economies eral of his top aides have warned their counterparts from Japan, South Korea and other steel-exporting nafeels indebted to labor for the tions to refrain from dumping which is sometimes defined as exporting at prices below their homemarket cost. And the administration free-traders — notably Treasury has recently launched negotiations Secretary Robert Rubin - want to with Russia to consider an agreement avoid steps that might endanger the that would allow Russian steel improveries of those countries or ports to continue at a reduced pace. But the steel companies and their unions want more. The steelworkers

Very briefly:

 CBS is replacing ABC as the exclusive broadcast-news provider to America Online Inc., a boost for CBS Corp. as it tries to catch up to rival news organizations with more popular Internet sites. CBS News will provide text, audio and video to AOL, the world's largest on-line service.

 Kellogg Co. named Carlos Gutierrez chief executive, sncceeding Arnold Langbo, as the cereal maker seeks to turn around its ailing U.S. business. Mr. Gutierrez, 45, now president and chief operating officer, wants Kellogg to focus on bolstering revenue, as opposed to cutting costs.

• Hewlett-Packard Co., the No. 1 maker of ink-jet printers, settled its 16-month-old lawsuit against Xerox Corp. that said the world's top copier maker had violated H-P's trademarks on toner-cartridge packaging. Xerox, which will not pay damages, agreed to change its packaging to remove a reference to H-P's LaserJet.

 The Philippines filed with the U.S. Securities and Exchange Commission to sell a \$750 million two-tranche global bond. Worldwide semiconductor sales fell 9 percent to \$134 billion in 1998 because of overcapacity and lower demand in

Amazon's Sales Tripled in 4th Period

NEW YORK - Amazon.com Inc. said Tuesday its fourthquarter sales more than tripled from a year earlier, helped by a strong holiday season when more than a million new cus-

tomers bought from the giant on-line bookseller.
But the company said the sales surge, to about \$250 million, would not reduce its expected loss for the quarter. Wall Street analysts predict it will post a loss equal to about 56 cents a share. Amazon.com's stock fell almost 10 percent in early U.S. construction spending intrading before rebounding. The shares finished up \$6.1875 at creased for the sixth consecutive \$124.50, reflecting a 3-for-1 stock split that took effect month in November, propelled by

Broad Rally Puts 2 Major Stock Indexes Into Record Territory

NEW YORK - Stocks rose into record territory Tuesday, lifted by a broad mix of technology, financial

and industrial shares. Larry Wachtel, market strategist at Prudential Securities, said, "It's a good, steady stockpicking market, nothing spectacular about it, but can't be spectacular because you had a spectacular quarter at the end of 1998." However, he added, "I really can't make a strong case for

sustainability." The Dow Jones industrial average closed up 126.92 points, or 1.4 per-cent, at 9,311.19, less than 1 percent from its record close of 9,374.27 set Nov. 23. Advancing issues outity and lower demand in numbered declining ones by a 6-to-5

AP, Bloomberg, Market News ratio on the New York Stock Ex-

change Two broader stock indicators hit records: The Standard & Poor's 500-stock index gained 16.68 points, or 1.4 percent, to close at 1,244.78; and the technology-heavy Nasdaq composite index was up 2,251.27, setting a record for the the euro.

third trading session in a row. The market was little affected by a Commerce Department report that strong gains in honsing and gov-

Tuesday, Jan. 5

High Low Latest Chiga Opint

548% 551 \u00e4 557 562% 563

Food

before, to a seasonally adjusted annual rate of \$677.8 billion.

America Online, which was added to the S&P 500 last week, was the most active issue on the Big Board. The stock fell 2 3/16 to 1463/s.

Treasury bond prices fell for a third session as the dollar dropped against the yen, stocks climbed and companies including Ford Motor Credit Corp. prepared to sell about maker said it delivered 559 com-\$7.5 billion in corporate debt this

The price of the benchmark 30- held in storage for cash-strapped year issue fell 26/32 to 100 21/32, Asian airlines unable to pay. pushing its yield up to 5.21 percent

ernment projects. Spending ad- from 5.15 percent late Monday. vanced 0.9 percent from the month Apple shares rose 2 1/16 to 43 5/ 16 after the company said it had sold 800,000 of its popular iMac computers since their introduction and announced a lower-priced multi-

U.S. STOCKS

colored lineup of the machines. Boeing shares rose 23/16 to 351/s after the world's biggest airplane mercial jets last year and eliminated most of a backlog of finished jets

Shares in several companies fell

Wall Street's expectations.

sold fewer mugs, gift baskets and other holiday items than expected.

Starbucks was expected to report

same-store sales gains of more than 5

retailer said sales at stores open at

after they reported sales shortfalls or least a year fell 4.7 percent in its warned that profit would not meet second quarter as personal-computer prices continued to fall. CompUSA said the average selling price of PCs fell 20 percent in the quarter although PC unit sales rose Starbucks dropped 1½ to 52 after the largest U.S. coffee retailer said sales at stores that had been open at 50 percent, including sales at newly least a year rose a disappointing I percent in December. The company

opened and acquired stores. Storage Technology shares fell 15/16 to 33½ after the maker of devices used to store data on tape said it would earn less than analysts percent for the period, in line with its had expected in its fourth quarter. increase last year, Robert Ohmes, an The company said revenue from analyst with Morgan Stanley, said.

CompUSA stock dropped 1/2 to offset a drop in sales and in profit margins on its older goods.

Bond Yields Spur Yen; Euro Slips on Its 2d Trading Day

against the yen Tuesday on concern that Japanese investors would sell U.S. assets in favor of domestic 43.22 points, or 2 percent, at bonds, but it strengthened against

"The dollar has been losing ground with the appreciation in Jap-anese bond yields." said Anne Parker Mills, senior currency economist .111.305 yen from 111.925 yen late at Brown Brothers Harriman & Co. Monday. The euro felt to \$1.1778.

The yield on Japan's benchmark from \$1.1828 after a German

the past month, climbing above 2 interest rates may head lower. NEW YORK - The dollar fell percent after the government said it would stop purchasing long-dated bonds and reducing the difference

FOREIGN EXCHANGE

between U.S. and Japanese 10-year bond yields,

In 4 P.M. trading, the dollar fell to

On Monday, in its first day of Bank of Scotland. trading, the euro rose about 1.5 percent against the dollar from its initial

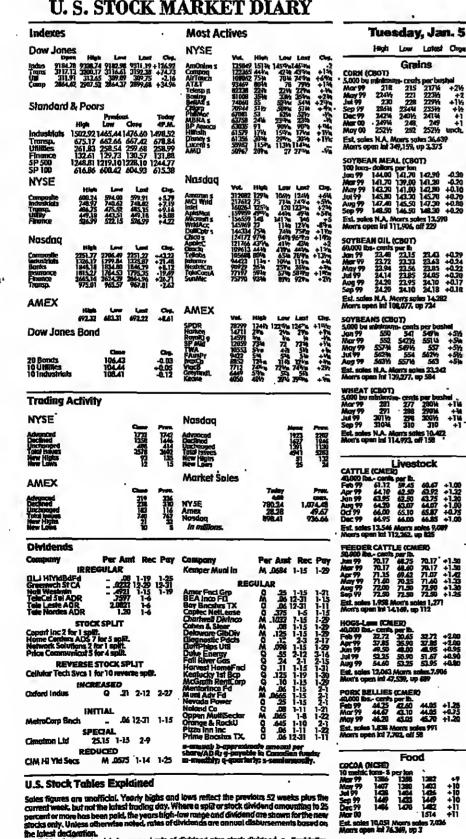
rate set Thursday. The currency gained as European stock and bond markets surged on optimism that the euro, which replaces 11 national currencies, would help the Continent's competitiveness.

Today's news out of Europe is a

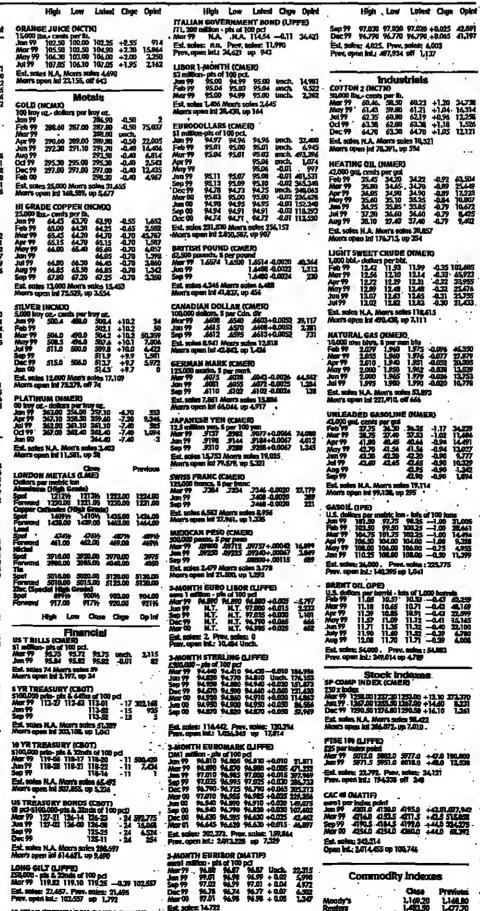
foreign exchange sales at Royal

Policymakers of the European Central Bank will meet Thursday to set rates for the euro nations. While the governing council is not expected percent level this week, it may reduce rates in the coming months to help spur growth, traders said.

Elsewhere, the dollar rose to at Brown Brothers Harriman & Co. Monday. The euro fell to \$1.1778 bit more negative, and the dollar 1.3710 Swiss francs from 1.3669. The yield on Japan's benchmark from \$1.1828 after a German sentiment, has changed accord-francs, and the pound fell to \$1.6550 ingly," said Clark McGinn, head of from \$1.6607.



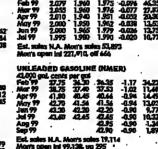
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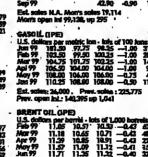


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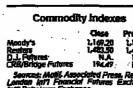
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Amid Flurry of Takeover Rumors, Carmakers' Stocks Rise Worldwide

DETROIT - Takeover rumors, including talk that Ford Motor Co. was in the market for an acquisition, fueled sharp gains Tuesday in auto stocks around the world.

The talk is swirling at the North American International Auto Show in Detroit, where Daimler AG's acquisition of Chrysler Corp. grew out of a 17-minute meeting of the two chief executives last year. DaimlerChrysler AG predicts that without acquisitions that remove factory capacity, by 2002 the world's carmakers will be building 23 million more cars a year than they can sell.

than they can sell.

The speculation was fueled by an Agence France-Presse report that Ford would announce at the Detroit show that it is working to buy Bayerische Motoren Werke AG of Germany and Honda Motor Co. of Japan, both the No. 3 automaker in their country. BMW and Honda denied the report; Ford refused to comment. Ford stock closed \$1.75 higher at \$59.50. Reports last month in The Washington Post and Dagens Industri of Sweden said Ford was considering buying Volve AR of Sweden AB of Sweden.

AB of Sweden.

Many analysts said the most likely takeover candidates are Volvo and Fiat SpA. Volvo finished up 12.50 kronor at 212 (\$26.38) and Fiat rose 20 cents to 3.36 euros (\$3.96).

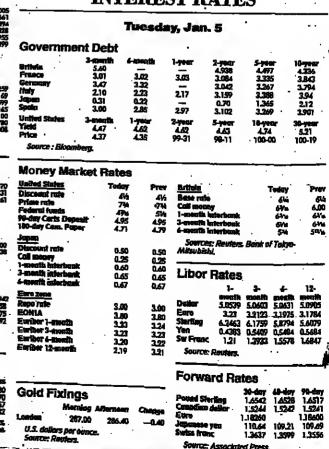
Fiat "would be a good match" for Ford, said Vittorio Funagalli, a fund manager with Royal & Sun Alliance Fondi in Milan. Italy, he said, has "the greatest number of ears per capita in Europe, so it's one of the best markets."

"I find a Fiat-Volvo merger to be the most viable," said Philippe Lecoq of Ofivalmo in Paris. "Fiat's upcoming figures may be disappointing, so it might need to look for a partner. Volvo, which is outside the euro-zone, needs a European partner."

European partner."

Hans-Olov Olsson, president of Volvo North America, refused to say whether that automaker was in talks with Ford or any other company. "Our structure is an issue to be decided by shareholders," he said. (AFP, Bloomberg, Reuters) (AFP, Bloomberg, Reuters)

INTEREST RATES



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Continued from Page 1 R a commission to undertake: and seview of L v policy loan The White House pokesmank art, called the proposal "contra But said the adjunctions & what that there are although in bucking with at a company eved with the sales appe ates haber War . Republication sa, who had in the fronteen and the control of the property al that I be to be a more than esselie that I due has an bewhere I is not a sure Ite.

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'Critical Period'

BERLIN - The economic re-Germany and the so-called euro zone and urged the European Central Bank to cut interest rates in the 11-country bloc. for Germany, Europe's largest economy, to 1.4 percent from its estimate made last July of 2.1 percent growth and said a weaker export outlook would shave one perceotage point

from growth rates in the 11 countries that adopted the European Union's new common currency this year. slowdown, the European Central Bank must, like the U.S. Federal Reserve, try to strengthen the trust of investors in future economic developments with further interest-

PLC, the No. 1 British mobile-phone

Communications Inc., the world's

port in The Wall Street Journal's on-

line edition that Vodafone had

offered more than \$45 billion for

AirTooch to top a rival bid from the

Bell Atlantic Corp. of the United

States. Vodafone gave no details and

said. 'There can be no assurance that

any agreement can or will be

largest U.S. local phone company,

was negotiating to buy AirTouch

surfaced last week, and both compa-

nies have since confirmed the dis-

Vodafooe has long been viewed

as a possible partner for San Fran-

cisco-based AirTonch because their

combined European businesses

have little overlap and they are part-

ners in Swedish and Egyptian mo-

sussioos. Neither company would comment on the price or say when

they expected a decision.

Reports that Bell Atlantic, the

The announcement followed a re-

largest, about "a possible merger."

report on the 1999 economy. The German growth for 1999 at between search institute DIW reduced its enro zone of 1.9 percent in 1999, 1999 growth forecasts Tuesday for compared with 2.8 percent in 1998. DIW reiterated as call for the

European Central Bank to lower its benchmark interest rate from 3 per-DIW cut its 1999 growth forecast ment to allow its public deficit to rise as growth slowed. It also called for wage increases to remain moderate.

Harald Joerg, an analyst at Dresdner Bank, said the DIW report was too gloomy and said strong do-mestic demand would probably offset the impact of weak exports.

"Due to the worldwide economic 2.5 percent growth, and we see so far We still maintain our forecast of no reasons for downward revisions," Mr. Joerg said. "So far, I do not see any reason to be so strongly pessumistic.

Olaf Liedtke, an analyst at Hessrate cuts," the institute said in a ische Landesbank in Frankfurt, put

Some analysts said they thought

properties to Bell Atlantic and then

sell international to Vodafone,"

said Charles DiSanza, an analyst at

the whole of AirTooch; I think that

what it does want is the European

properties," said John Tysoe, an

"I doo't think Vodafone wants

Gerard Klauer Matrison & Co.

analyst at SG Securities.

splitting AirTouch.

service company, said Tuesday it bad entered talks with AirTouch they couldn't first sell domestic

should remember that DIW tends to be more pessimistic, and its forecast should be viewed with some caution," he said.

DIW is one of six leading eco-nomic research institutes in Germany. In their autumn report, the six institutes forecast growth of 2.3 percent in gross domestic product this year after growth of 2.8 percent in

The Munich-based Ifo institute has already cut its growth forecast for 1999 to 1.7 percent, and, at the beginning of December, the government said it was predicting growth of only 2 percent this year.

"Lafontaine's Finance Ministry 2 percent and 2.25 percent. "One is calling for higher fiscal spending to stabilize economic growth," said Stefan Schneider, an economist at Banque Paribas. "The DIW fore-cast might be overly pessimistic to justify the more interventionist policy approach."

German exports will slump I percent this year after double-digit growth in the past two years, the DIW forecast said. Private consumption will help keep economic growth on track, the institute said, as will wage increases, stable employment and a somewhat lower tax burden.

But unemployment is expected to remain high, with the jobless rate at an average of 10.9 percept in 1999 Heiner Flassbeck, formerly the after 11.1 percent last year. The avhead of research at DIW, is now an erage number of unemployed people undersecretary of finance and a key during the year will stay above 4 adviser to Finance Minister Oskar million, the research group said.

(Reuters, Bloomberg, AFP)

Vodafone Talks With AirTouch About Merger LONDON — Vodafone Group the two companies would end up doubt that Bell Atlantic would want Boying AirTouch would give Boying AirTouch would give Bell Atlantic a nationwide U.S. mobile-phone network to compete better with the coast-to-coast providers AT&T Corp., Nextel Communications Inc. and Sprint PCS. Bell Atlantic and AirTouch already have a mobile-phone joint venture, PrimeCo Personal Communications

LP, and Bell Atlantic's pending pur-

chase of GTE Corp. will add mo-

bile-phone customers. (Bloomberg, Reuters)

U.K. Agency Seeks Talks on Griffin Failure

to part with AirTouch's lucrative

fortune for AirTouch, only to then

decide that actually we're going to

sell the most interesting hits to

Vodafone," one analyst said, al-

though he did not rule out a deal

Vodafooe shares rose 6 percent to close at £10.85 (\$18.02) in London.

AirTouch shares were up \$5.0625 at

between Vodafone and AirTooch.

"I don't see wby it would pay a

international assets.

Bloomberg News LONDON — The Securities and Futures Anthority is boping to meet meet with Griffin's clients Thursday, this week with traders whose accounts were frozen as a result of losses by the Chicago-based firm

Griffin Trading Co. The authority, which along with the London International Financial Futures and Options Exchange and

tures trades. The Securities and Fu- the freezing of the capital of some tures Authority said it wanted to independent traders who had acalthough a date has not been fixed.

Griffin filed for bankruptcy Dec. 30 after an independent Londonoo trades he made on German government bond contracts listed on the

counts with the firm. Its closing also has led to calls for the clearing institutions to separate individual clients' accounts whose based trader lost about \$10 million transactions they clear and guarantee from their other accounts.

The Securities and Futures Au-Swiss-German derivatives market' thority said it had not announced it the London Clearing House, Bri- Eurex. The loss left Griffin, as guar- would review the industry, but it bile-phone businesses. AirTouch tain's main clearer of trades in fi- antor of the trades, unable to meet its would not rule out amending reg-

Firm Cuts Forecast for Euro Zone's Growth Prague Fires Directors of Electric Utility

PRAGUE - The government fired the entire board of directors of CEZ AS, the Czecb Republic's main electric utility. Tuesday and re-placed four of the six members of its supervisory board to increase its control over the company.

Shareholders led by the government, which owns about 70 percent of CEZ, voted to dismiss all seven directors and named a five-member board that included Zdenek Vorlicek, deputy minister of industry and trade. Mr. Vorlicek said the new board would scrutinize spending to prevent "socially unacceptable" increases in electricity prices and to enhance competitiveness.

"I think it's necessary to look at CEZ's finances and the cost trends so that in future years the company conducts its business in a more

prudent way," he said.

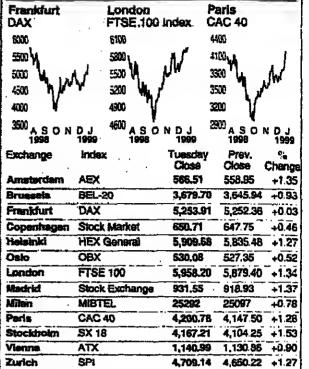
A Social Democratic government took office in Prague in July and indicated that it would make changes at companies in which the state had significant holdings. It has already replaced some board members at SPT Telecom AS, the national phone company, and Komercni Banka AS, the biggest Czech bank in terms of assets. It is expected to take similar steps at Ceska Sporitelna, the second-largest bank, and Unipetrol

AS, an oil holding company.

Mr. Vorlicek also said CEZ should award more contracts to Czech

He said too much of the 46 billion koruna (\$1.52 hillion) that the utility had spent on upgrading its coal-fired power plants to meet stricter environmental standards had gone to foreign companies

CEZ has a 77 percent share of the wholesale Czech electricity market. It will record a profit for 1998 of 6 billion to 7.5 billion koruna, compared with 5.12 billioo koruna in 1997, said Petr Voboril, the executive economic director. The projection is according to international accounting standards.



Investor's Europe

Very briefly:

Russia's economy contracted by 5 percent last year, its biggest decline sioce 1994, as soaring interest rates and a pluoging ruble curbed companies' ability to finance opcrations and carry out payments, the Ministry of Economy said. The government is expected to publish official gross domestic product figures for 1998 in mid-January.

 Credit Lyonnais SA confirmed that its staff council would meet next Wednesday to discuss job cuts, but a spokesman for the French state-owned bank said the number of cuts involved would be 546 this year, not the 1,500 reported in the press.

• Sweden plans to sell its 7 percent stake in the pharmaceutical group Pharmacia & Upjohn Inc. to use the taxpayers' money in a "more professional way," the government said. The plan was in response to a recent rise in the price of shares in the company.

 Lucas Varity PLC, a maker of automotive brakes, is in talks that may lead to a merger, people familiar with the situation said, as the British company tries to catch up with rivals that have grown through a spate of acquisitions.

 Hays PLC acquired 97 percent of the France Partner group of companies, a French express delivery company, for 150 million French francs (\$27 million), as it develops its European mail and express business. The British support services company will buy the remaining 3 percent in 2000 for as much as 50 millioo francs,

CEZ benefited from a stronger . Bouygues SA, Europe's largest construction company, sold koruna in 1998, which lowered its 1 billion Freoch francs in new shares in its water utility Saur to debt-service costs and allowed it to an unidentified investment fund to finance the sub

also has businesses. AirTou also has businesses in the Unit States and the Asia/Pacific region	ed nancial instruments, is l	ooking into obligation	is.	ulations if	the Griffin case showed with the current system.	debt-service costs and allowed reduce its reserves against pote foreign-exchange losses.	it to an unidentified investo otial international developm	ment fund to finance the subsidiary's neat. AFP. Bloomberg, Reducts
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tional Trust & Investment Corp. will meet with liquidators and govern-ment officials Sunday to find out

how and when as much as \$4 billion of deht will be repaid, a government spokesman said Tuesday. After four months of waiting, foreign hanks and bondholders will be told about the government's de-cision on which of Guangdong International's dehts it will bonor. The company, owned by Guangdong Province, was China's second-

higgest truss company before its finance arm was closed in October.

"We don't yet know how the debt is going to be repaid," said Wu Xiaohua, a spokesman for the committee led by Bank of China that is overseeing the liquidation. Bank of China is one of the country's four largest state-owned banks.

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He said creditors would be invited to Guangdong International's tan Corp. of the United States, Bank 63-story headquarters building in Guangzhou, Guangdong's provincial capital, for a meeting Sunday that may also be attended hy gov-

emment officials. The failure of the company's financial arm rocked the economic stability that Chinese provincial governments and large companies had relied on to finance the coun-

BELJING — Creditors of the finearly 8 percent last year, according nancial arm of Guangdong Interna- to the government, among the fastest in the world.

Many borrowers including Guangdong International, also known as GITIC, used short-term foreign credits to finance long-term projects and investments, a system that crumbled after foreign banks stopped lending because of economic troubles elsewhere in Asia.

The three other major provincial government-owned investment firms based in Guangzhou have all but stopped repaying foreign debts as a result of the credit crunch, which worsened after the closure of Guangdong International

Guangdong International's lenders have until Wednesday to register claims on what they are owed. As many as 200 banks and other creditors are waiting to be told the fate of those claims.

Among them are Chase Manhatof Tokyo-Mitsubishi Ltd. and Dai-Ichi Kangyo Bank of Japan, and Commerzbank AG of Germany. Several foreign governments also lent to the company; a U.S. Embassy official in Beijing said a U.S. gov-

ermment agency was a creditor.
China has indicated that it plans to repay dehts that were officially registered and will negotiate the rest.

China Warns

BEUING - Vice President Hu Jintao warned officials Tuesday that "problems within China's financial sector were rife and must be tackled," the Xinhua press agency said.

Mr. Hu said that the Asian financial crisis was by no means over and that it was beginning to affect China, Xinhua reported.

"It is one of our central tasks to prevent financial risks and 10 further step up financial re-forms, he said.

Separately, state media reported that China had cleared 20 privately owned companies to conduct foreign trade as part of a move to increase exports The Ministry of Foreign Trade and Economic Cooper-

ation issued trade licenses to the 20 companies, including the Hope Group, China's biggest animal feed producer, the People's Daily newspaper said.
"This is the first time that private firms have been allowed

official of the ministry. Until now, only state-run trading companies, selected stateowned manufacturers Chinese companies in which foreigners have a stake have had the right 10 conduct foreign trade.

to enter foreign trade," said an

Malaysia Acts to Relax Investor's Asia **Controls on Capital**

KUALA LUMPUR — Malaysian stocks rose Tuesday on an unex- measures. Bank Negara said the pected decision by the central bank rules allowed the repatriation of to relax some rules on capital controls linked to share transactions.

Traders said foreign investors bought shares actively in the af-ternoon after Bank Negara, the central bank, said it would allow local brokerages to pay for shares bought on behalf of foreign investors even before they had received funds from the foreign buyers.

"Such out-of-pocker expenses by local stockbrokers would not be deemed as credit facility to nonresidents," the central bank said. "The government wants to push

up the market with this thing," said a dealer at a large Malaysian stockbrokerage. The composite slock in-dex rose 1.11 percent, or 6.24 points, 10 close at 567.89. The central bank had barred local

brokerages from granting such loans in the local currency, the ringgit, saying they would contravene exchange controls imposed Sept. 1. That curtailed the ability of foreign investors to make payments for share purchases.

The central bank's move could herald more relaxation of the country's exchange controls ahead of an expected exodus of foreign capital when a 12-month han on repatriating some funds ends Sept. 1. Clarifying the capital-control

profits by foreign participants in "contra" trading. Such trading is the huying and selling of stock within a five-day settlement period, allowing market participants to make or lose money on the movements in the stock's price within that time.

In a separate move, the central bank said that, effective immediately, banks would not be allowed to make loans to developers who wanted to build houses costing more than 250,000 ringgit (\$65,800) each. It also barred banks from funding de-velopment of hotels, resorts, offices, golf courses and shopping malls.

It was Malaysia's first move in almost two years to tighten lending to the property industry. While it was then trying to prevent property prices from escalating, now the cen-tral bank is fighting to prevent prices from sliding further.

Separately, Bank of Commerce Bhd. scrapped merger talks with MBf Finance Bbd. after MBf was taken over by the central bank.

'lt's a mutual understanding with MBf to allow that agreement to lapse," said Rozali Mohamed Ali, a director of Commerce Asser Holding Bhd., which owns Bank of Com-(Reuters, Bloomberg)

2 H.K. Firms

Cut Phone Fees

HONG KONG — Hutchison Whampoa Ltd. and Wharf Holdings Ltd. on Tuesday be-

came the latest companies to

offer what each claims to be the

lowest rates on international

phone calls from Hong Kong as

they and other rivals fight to

Their moves came a day after

Hong Kong Telecommunica-tions Ltd., the dominant phone

company, cul long-distance

charges an average of 25 per-

cent. Starting this year, telecommunications operators have the right to lease lines from Hong

Kong Telecom to provide com-

Starting Jan. 1, 2000, competitors will be able to install

their own infrastructure to

provide overseas calling.

peting long-distance services.

increase market share.

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Very briefly:

 Japanese domestic sales of cars, trucks and buses fell 15,2 percent last year, to 4.34 million units, amid a loss of husiness and consumer confidence due to recession. It was the higgest percentage drop since 1974, when sales fell 21.5 percent during the oil crisis, the Japan Automobile Dealers Association said.

 Japan's Financial Supervisory Agency said it had been told by "a number" of executives of 15 major banks that their institutions would seek more from the government support fund than was indicated in November, when the total that the banks would request to replenish capital was put at about 5.78 trillion yen (\$52 hillion), '

 Exchange Fund Investment Ltd., created to manage a portfolio of about 155 billion Hong Kong dollars (\$20 billion) in local stocks that the Hong Kong government bought list year to try to thwart speculators, received a trading license from the Securities and Futures Commission and disclosed stakes of more than 10 percent each in Cheung Kong (Holdings) Ltd., New World Development Co. and Swire Pacific Ltd.

 Thailand had a 22.9 percent increase in business closures last year, as 12,201 companies with a total registered capital of 31.9 billion baht (\$872.8 million) ceased activity, up from 9,925 companies with capital of 26.59 hillion baht in 1997. The Commercial Registration Department said the pace of husiness failures was expected to slow in the second half of 1999.

 India will allow 100 percent foreign ownership in road and port projects, up from the standard 74 percent, in part to facilitate a 20-year, 1.2 trillion rupee (\$28.2 hillion) project to build 12,000 kilometers (7,500 miles) of superhighways, the Ministry of Industry said, provided that total foreign equity in a project does not exceed 15 hillion rupees.

 C. K. Tang Ltd.'s chairman, Tang Wee Sung, said he had heard nothing about a rumored takeover of the Singapore retailer by the property developer City Developments Ltd. Shares of C. K. Tang rose 48 percent Tuesday, to 37 Singapore cents (22 U.S. cents), amid the speculation, which City Developments denied. Reuters, Blowmberg

S&P Turns Positive on South Korea, Lifting Stocks and the Won "Those moves are an evaluation Standard & Poor's said the the dollar falling to 1,164.50 won

SEOUL - Standard & Poor's Corp. revised its ootlook on South Korea to positive from stable Tuesday, bolstering confidence in the country's currency and stocks.

Government officials and analysts welcomed the move, which is expected to result in ratings upgrades over the next several months, but said South Korea would still have to show more evidence of its turnaround.

of our structural reform and our econorny," said Hyun Oh Seok, directorgeneral of the Finance and Economy

But at the same time, it comes as increased pressure for us in considering future policy because we now have to show more evidence by pushing forward with reform and economic recovery efforts," Mr.

change in its outlook followed "remarkable progress" made by South Korea over the past year in address-Ministry's economic policy bureau. ing its economic crisis.

The news further stoked the hot local stock market, which was the best-performing market in the world last year, with a gain of 42 percent.

from 1,186.00 won. "The trend is set for the won's

strength," said Hwang Sung Min, a trader at Shinhan Bank. "It will gain in value gradually and probably reach 1,150 this month." The S&P move came less than a

mouth after Moody's Investors Ser-The Seoul composite stock-price index gained 1.9 percent to close at Korea's ratings for possible upgrades. (Reuters, Bloomberg)

THE INTERMARKET

GENERAL

TENDER NOTICE

MEKOROT WATER CO. LTD INVITATION FOR PREQUALIFICATION OF AN INTERNATIONAL TENDER FOR THE ERECTION OF A WATER FILTRATION

AND TREATMENT FACILITY

Mekorot Water Co. Ltd., a government owned company (hereInaften "Mekorot") hereby invites applications for prequalification to tender from interested entities having the necessary
experience, technical expertise and financial resources to
carry out relevant works (hereinaften the "Applicant"), for
supplying, erecting, constructing: testing and commissioning
a new potable water filtration and treatment facility to treat
1,700,000 cubic meters of water per day in order to achieve
specified water quality requirements for the israel National
Water Supply System (heireinaften the "Project"). The Project
is expected to be completed within three (3) years from the
completion of the Tender Process subject to the terms and
conditions determined in the tender process.
For this purpose, an international public competitive contractor selection process will be performed in two phases:
Phase A: Prequalification Process
Phase B: Tender Selection Process AND TREATMENT FACILITY

Phase B: Tender Selection Process

This invitation is for the participation in the aforementioned

Phase A.

The prequalification Process consists of two distinct Applicant selections: one for the performance of the Process Works Imain process works, mechanical, electrical, instrumental and control, disinfection and commissioning and other related works! and the other for the Civil Engineering Works (water retaining structures, site leveling, infrastructure, drainage and other related works).

retaining structures, site leveling, infrastructure, drainage and other related works.

Thererfore, Applicants shall be either one of the following according to the relevant works of the Project which the Applicant wishes to perform:

I. A company having extensive experience in the erection of water treatment facilities meeting the requirements specified in the Prequalification Documents and wishing to partiopate in the tender as the "Main contractor" for the Project who will perform the Process Works and the overall coordination and bear responsibility for all sub-contractors, including the Civil Engineering Sub-Contractor.

2. A o'vil engineering company having experience in the construction of, inler alia, water retaining structures meeting the requirements specified in the Prequalification Documents and wishing to perform the Civil Engineering Works in the Project as "Civil Engineering Sub-Contractor", subject to the Tender Selection Process.

The required expenence and criteria for prequalification are set out in the Prequalification Documents. Participation in Phase A and Phase B is subject to the Applicants being registered with any of the Registrars required under the Law for matters concerning the obligations under the Project as well matters concerning any permits required under the Law as obtaining any permits required under the Law necessary authorizations required under the Public Entitles necessary authorizations who will meet the criteria specified in the Project as the Project and Payment of Transactions (Enforcement of Bookkeeping and Payment of Transactions (Enforcement of Bookkeeping and Payment of Transactions (Enforcement of Bookkeeping

Taxes) Law, 1976.

Those Applicants who will meet the criteria specified in the Prequalification Documents and will pass the Prequalification Process for the function of Main Contractor will be required during Phase 8 (Tender Selection Process) to select from among the shortlist of prequalified Civil Engineering Subamong the shortlist of prequalified Civil Engineering Subamong to the performance of the Civil Engineering Contractors for the performance of the Civil Engineering Works in order to submit a Bld for the entire Project.

The Progualification Documents may be purchased in the

works in order to summit a did for the entire Project.

The Prequalification Documents may be purchased in the mount of NIS 4,000 from:

U Lincoln Street Development Department Hall, 7th Floor, Tel Aviv, Israel 61201.
Telephone: 972-3-6230772 |Mr. Bar-Levav|.

Facsimile: 972-3-6230598

Between 08:00 and 14:00 hours on regular working days, from January 6th 1999 up to January 25th 1999, Inclusive. Applicants shall take note that requests for clarifications of the Prequalification Documents will be accepted by Mekorot up Prequalification Documents will be accepted by Mekorot up Prequalification Documents run from the January 6th 1999 invitation days.

invitation date.

At the time of purchasing the Prequalification Documents, the name, address, telephone and facsimile number of the name, address, telephone and facsimile number of the Applicant as well as the name of the person Mekorot may contact must be provided.

The Prequalification Documents will be open to the public for The Prequalification Documents will be open to the public for The Prequalification Documents will be open to the public for Thursday, from January 6th 1990 up to January 25th 1999 Inclutures above mentioned address.

Sive, at the above mentioned address.

All applications for prequalification must be completed in All applications for prequalification must be completed in English and be submitted to the above address no later than English and be submitted to the above address no later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and be submitted to the above address of later than English and later

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In Germany, the Euro Stays in the Background

By Edmund L. Andrews New York Times Service

FRANKFURT -- So now that euros have finally arrived, what are people supposed to do with them?

For the moment, not much. The only euro coins circulating here are chocolate ones wrapped in bright yellow foil. And while the stores here are full of after-Christmas sales and signs proclaiming lower prices, it was almost impossible to find a price tag this week with any

Currency except the Deutsche mark.
On one level, that was not surprising.
After all, the new euro notes and coins will not be in circulation until 2002, and most stores here have not begun to accept cures from people who pay with

credit cards or checks. But on another level, it was odd. Germany fought hard to have Frankfurt, its banking center, be home for the new European Central Bank. Municipal officials have been bending over backward to promote Frankfurt as a real competitor to London. Yet one could walk through the main shopping district Monday without ever glimpsing a blueand-yellow euro sign.

Car companies showed a bit more enthusiasm. Volkswagen AG, Daimler-Chrysler AG Mercedes and the Opel subsidiary of General Motors Corp. all began posting prices in euros Monday, offering enro-denominated loans and accepting euros in payment immedi-

Car companies have been in the publie spotlight over the euro because they are notorious for charging higher prices in wealthy Germany than in poorer countries like Spain. Many euro promoters have argued that a single curreney would make it impossible to maintain such unequal pricing.

But car executives say few customers will want to pay in curos, because only a minuscule number of people have opened euro-denominated bank ac-

"At least for the time being, the only people who will want to pay in euros will be journalists who want to write about it," one executive said.

Although Helmat Kohl, the former

chancellor of Germany, was probably Europe's most powerful and determined champion of the euro, German gov-ernment agencies are decidedly less enthusiastic. Complaining about the conversion costs, they are refusing to accept euros for taxes, Social Security payments or most other purposes for the

next two years. People in France, Italy and Spain have been more enthusiastic about the euro. In Paris, Banque Paribas had an all-day euro festival that included a small parade, dancers, acrobats, jugglers and a steel band dancing through

the streets near the Bourse. But while many of the big French supermarkets and "hypermarkets" are now posting prices in both euros and francs, most other stores have not yet

begun to do so. In Italy, one politician wasted no time

sting the new system. Felice Besostri, a member of the Italian Senate from Milan, marched into a local branch of Banca Popolare di Lodi and opened a euro-denominated ac-count with 20,000 euros, or about \$23,000. Mr. Besostri said, "I have to confess I did it in part maliciously, to see whether the banks' protestations that

French Ponder A Eurolande'

PARIS - Now that the euro finally has been introduced, the French are wondering what to call the currency zone without adding more English to their language.

The rapid spread of the term 'euroland' irritates purists, who see it as another inroad by the linguistic rival that has already given them 'le weekend,' 'le jogging' and such Gallie cybertalk as 'surfer sur le Web."

The morning daily Liberation annonneed Tuesday it would use the French-sounding neologism "eurolande," but Le Monde said it neologism was "ready in shock some of its readers' with the English-language original. "Certainly not euroland!" former President Valery Giscard d'Estaing of France said last week. 'Let's say euro zone."

'Euroland, Disneyland - when will we wear Mickey Mouse ears at the Bourse?" Le Figaro quoted one traditionalist as saying. Herve Lavenir de Buffon, head of the International Committee for French as a European Language, said using "eurolande" whuld be "a protection against cheap Americanization and treason against Europe."

YEN: Dollar Falls as Tokyo Aide Sees Bubble-Like' U.S. Economy

Continued from Page 1

U.S. stocks be next? For the moment, the

answer appears to be "no." U.S share prices continued their climb Tuesday. But that could quickly change, some analysts say, particularly following the debut this week of the single European common currency, which also might pull

money away from dollar investments. The sea change in international finance this year was supposed to see the dollar challenged by the single currency in Europe, but while the euro is proving a popular investment, the dollar's main problem is coming from the other direction: Japan, where the rising yields on government securities have made U.S. Treasury paper a lot less alluring

than it has been. Japanese bond prices have crashed as the yields have almost doubled since late December, when the Ministry of Finance said that Tokyo would no longer buy bonds in the secondary market, worth about 2.4 trillion yen (\$21.15

billion) a year.

As the deficit in America's goods and services trade with the rest of the world — the current-account deficit — balloons toward \$300 billion, just as investors are rediscovering Japanese bonds and gaining confidence in eurodenominated securities, "the risk is that the United States is heading for a brick wall when the current-account deficit isn't easily financed," Mr. Dumas said. terview, said trade friction with Wash-

igton was increasing.
The United States "would not welcome withering exports amid a slowdown of the economy," he said. "This is reflected in increasing signs of trade

Just a few months ago, the idea that Japanese investors would be exiting U.S. markets to bring their money home seemed farfetched to many analysts, who were looking at Japanese bond yields of around 0.5 percent — the

lowest seen anywhere for decades. October marked the first major ripple of discontent with U.S. Treasury paper, as Japanese became net sellers of U.S. debt and net buyers of debt denominated in French francs and Deutsche marks. the two leading currencies that launched

the euro Monday. Now, as the euro takes off, many expect that Japanese bonds as well as the yeu could continue to prove attractive for the next several months,

both at the expense of the dollar.

The dollar's "fall to below 100 year is in the offing," Masataka Nakamura, vice president of MCM Asia Pacific,

told AFX News. "Ynu've had some interest by Japanese accounts to sell out of their dollar holdings to start nibbling at the euro," said a currency analyst at a major U.S. bank in London. "You're likely to see that continue. Asian central banks plus Japanese investors are clearly looking to raise their exposure to the euro.

In addition, he said, further pressure on the dollar could come as Japanese companies begin to repatriate their dollar profits from overseas in time for the

March 31 end of the Japanese financial On top of the major risk this poses to the U.S. stock market and economy, which could get joited into recession if household wealth should take a beating in a stock market crash, there are risks

for Japan as well in encouraging a strong yen.
"With the yen near 110, it means there is not much chance of the recession ending this coming year, Richard Jerram, chief economist at ING Barings in Tokyo, told Agence France-Presse. "We need to see the yen at a

weaker level." A strong yen reduces the compet-inveness of Japanese exports, which is why Japanese stocks fell sharply for a second day Tuesday, After dropping 3.1 percent Monday, the Nikkei 225-stock index fell 183.15 points, or 1.37 percent

to 13,232.74. Lower stock prices also reduce the set base of the ailing Japanese banks. But Mr. Dumas said that the Ministry of Finance, in his view, was encouraging a strong yen in order m make the banks foreign currency loans appear more valu-

able when expressed in terms of yen. There may be no way for Tokyo to sescape the quandary of rising bond yields and falling stock prices.

By moving away from bond purchases and turning on the printing presses to joit its economy out of recession and de-flation — Japan's broad money supply grew by an annual rate of 12.8 percent in November, according to Bank of Japan data—the government must offer higher bond yields to investors who want insurance against future inflation. Those higher yields pull money into the country, making the yen surge and stocks fall, as happened Tuesday.

Tokyo Seeks Talks on Euro

Japan wants to discuss the impact of the euro, notably stability in exchange rates, during Prime Minister Keizo Obuchi's European visit this week, Renters reported from Paris, quoting a French, government source. "The Japanese said that they were very keen on greater coordination with the Europeans on the consequences of the creation of the curo, particularly as far as exchange rate sta-bility is concerned," the official said.

Inefiseing i

they were ready were true." Mr. Sakakibara, in the newspaper in-No Sex, Please, We're Russian: Dilemma Over a Currency's Gender

MOSCOW - The world's newest currency has no sex at all, Russia's main

currency exchange ruled Tuesday. "It has no gender," a spokesman for the Moscow Interbank Currency Exchange said when asked which of the Russian language's three genders masculine, feminine or neuter - should be used in speaking about Europe's

new-born euro. Unfortunately, though, for Russians who have to speak or write about the currency rather than simply trade it, it has to have one. The problem is, no one seems yet to know which.

While the answer is obvious in English, where only people are normally regarded as anything other than neuter. the general consensus among EU languages like German and French is that the euro is a boy — it is "der euro" and "m euro." In its Russian incarnation the "vevro" - looks like a neuter word

because it ends in "o." Yet local media, clearly baffled by the new foreign arrival, seem to have decided it is definitely not neuter, but have been swinging both wsys on which

of the other twn it should be. The central bank, which began quoting an official ruble-euro rate when business resumed Tuesday after the New Year holiday, was cautious about which was politically correct. "There is no official decision," a spokesman said.

SPLITS HESITATION: Italian companies are waiting to decide on whether to carry out reverse share splits consolidate their shares and that such a

as a way to improve the image of their stocks after the launch of the single European currency has led to a number of domestie shares trading at less than I euro, company executives and others

Reverse share splits consist of converting a given number of shares into a

single new share. Some Italian companies, whose shares are now trading below I curo, said they would consider going ahead with reverse share splits if it would make their shares more attractive to foreign investors but that such a move is not a near-term priority.

An Italian stock exchange spokeswoman, Camilla Pedraglio, said the bourse has no plans to ask companies to

move is up to individual companies. The HDP SpA investor relations director Miriam Bauer, whose company shares trade at 0.6450 curo, said a reverse share split would not be a priority for the company and noted that many

British shares trade for pennies. "In my opinion, I think it is too early to talk about share regroupment and, anyway, it is not one of our top pri-orities," she said.

She added, however, that the mechanics of consolidation could prove to be complicated for HDP and other companies because of the link between savings shares and common shares.

The dividends paid on savings shares are calculated as a function of a relationship between the par value of the two classes of shares.

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INTERNATIONAL INVESTING

Most U.S. Defense Firms Fared Badly in Economic Storms of '98

By Tim Smart Washington Post Service

WASHINGTON - Aerospace and defense stocks are supposed to be pun intended — defensive investments in turbulent times such as those witnessed hy investors last year. Military spending tends to be countercyclical to the general economy, and the industry is viewed as less volatile than others.

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But it didn't turn out that way in 1998. Some of the biggest U.S.-based aerospace companies found their shares hammered as a variety of problems surfaced to rattle investors, from Asia's economic crisis to slowdowns and other

glitches in key weapons programs.
While the Standard & Poor's 500share index, a proxy for the overall market, rose 26 percent in 1998, the S&P aerospace-sector index was down nearly 10 percent. Some individual stocks were off more sharply, such as Northrop Gruraman Corp., down 36.4 percent, Boeing Co., down 33.2 percent, and Lockheed Martin Corp., down 13.5 per-

A lot of the underperformance in the group can be traced to Boeing, which suffered from production problems in its civil-aircraft business and declines in orders from Asian airlines. The Seattlebased company recently announced production cutbacks on its highly profitable 747 and popular 737 jetliners.

But Boeing was not alone in feeling the disfavor of investors. Lockheed Martin surprised shareholders late in the year when it said its fourth-quarter and full-year earnings would be well below analysts' estimates and the company's

own forecasts. Lockheed hlamed the problem on delays in deliveries of its C130-J cargo plane, the inability to complete a \$7 hillion order of F-16 fighters from the United Arah Emirates and delays in

commercial satellite launches. Some companies hucked the trend. Raytheon Co. gained 2 percent, while General Dynamics Corp. posted a stellar 37.5 percent return. Analysts consider General Dynamics to be the best-

managed of the major defense firms. Many of the problems in the industry were not due to entbacks in defense spending or, with the exception of Asia, a weak commercial aviation market.

Boeing delivered 550 jetliners last year companies, particularly Boeing, were hurgeoning trade surplus, which has and plans to increase that to 620 this year, on international sales. but with orders softening, the company may see production stall after 2000.

They were self-inflicted wounds." said William Fiala, an analyst at Edward D. Jones & Co.

Looking ahead, analysts remain cautions on the outlook for defense stocks. Whether Boeing can rebound depends mostly on the state of the economy in Asia, while Lockheed's management will need to rebuild credibility with Wall

Street in the wake of its recent earnings shortfall. One analyst who has his doubts is Peter Ascritis of Credit Suisse First Boston, who said the industry did a masterful joh of concealing its weaknesses in recent years by engaging in a wave of multibillion-dollar mergers.

Mr. Aseritis also said Wall Street had percent increase from 1997. underestimated how dependent the

"U.S. defense budgets have gone down for 13 years," Mr. Ascritis said. "The way the companies hid those declining sales was through mergers and

Mergers and acquisitions in the industry served mainly to conceal falling sales and other weaknesses.

acquisitions." One of the bright spots in the otherwise dismal U.S. trade balance in recent years has been the surplus created hy exports in the aerospace industry. Last year was no exception to the long-running trend, with the industry's trade surplus hitting \$37 hillion, a 15

Much of the credit for the sector's vice president of international affairs for

grown nearly 50 percent since 1994. comes from record exports of civilian

"This year's trade surplus maintains the aerospace industry's lead in holding the highest trade balance of all industries in the nation," said John

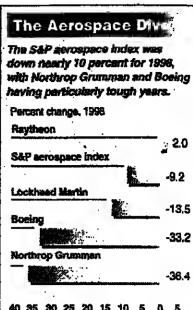
Douglass, the president of the Aerospace Industries Association. In 1998, according to association figures, the United States exported S59 hillion of aerospace products and imported \$22 billion.

But even the import numbers, which are nearly double the volume of five years ago, are misleading, as they include British- and French-made engines that go into Boeing airliners that are then sold to airlines around the world.

Most of the exports are commercial rather than military, said Joel Johnson, the industries' association. The exports helped stabilize employment in the industry, which had been on a downward trajectory with the decline in military spending after the fall of the Berlin Wall in 1989. The aerospace industry employs about 900,000 people in the

United States. "We bottomed out, really, in 1995 and 1996, and we've been coming up

ever since," Mr. Johnson said. How long the rosy trade picture in aerospace can continue is a question of some concern in the industry. The Asian economic crisis has led some airliners in the region to cancel orders from Boeing. In addition, military budgets in general are not growing and in many cases are declining, and some of the biggest pur-chasers of U.S. weaponry have been Middle Eastern nations that have seen their country's income fall dramatically with the slide in the price of oil.



Somerfield Moves Up the U.K. Food Chain

LONDON - Somerfield PLC, the United Kingdom's fifth-largest supermarket chain, has emerged from the shadows of its higher-profile rivals to become one of the best-performing retail stocks in Europe, and analysts say its

season in the sun will not end soon. The company's shares soared 91 percent in 1998, compared with a 1 percent gain in the food retailing index on the Financial Times-

Stock Exchange 350-share index. But even after such gains, few analysts re-

commend selling the company's shares.
Somerfield's £473 million (\$718 million) acquisition of Kwik Save PLC spurred enthusiasm for the chain. The takeover, completed in March, is expected to generate annual cost savings of £70 million by allowing better terms

And many analysts say the benefits should

"You ain't seen nothing yet," said Jonathan Pritchard, an analyst at Morgan Stanley Dean Witter. "All the market has done has priced in the merger benefits."

The current share price, he said, "isn't giving the management any credit" for its ability to increase sales as it converts lackluster Kwik Save stores into Somerfield supermarkets.

The acquisition more than doubled Somerfield's number of stores to 1,400, and the company, hased in Bristol, England, plans to spend £1 hillion on integrating the chain over the next

four to five years. It wants to convert 62 Kwik Saves to Somerfield stores by the end of its 1999 financial year and about 770 stores over five years. It also plans to close about 100 Kwik Save stores.

The conversions should pay off: Sales at the Somerfield stores are growing faster than at

some of the retailer's larger rivals.

In the first 16 weeks of its current financial year, a period that ended in mid-August, Somerfield's growth rate in same-store sales was 3.8 percent, twice the same-store growth the stores achieved in the year to April. By comparison, Tesco PLC, the largest U.K. supermarket chain, showed a growth rate of 2.5 percent in the five weeks that ended Sept. 19.

A share-price comparison is more striking. Somerfield's 91 percent rise in 1998 compares with a rise of 4 percent for Tesco. Shares in Sainsbury, the No. 2 supermarket operator. dropped 5 percent, while Asda Group PLC, the No. 3 retailer, fell 9 percent;

Yet shares in Somerfield, which has 7 percent of the U.K. food-retailing market, are still cheaper than those of most rivals. Its price/earnings

ratio of 12.41 compares with 18.28 for Tesco, 16.04 for J. Sainshury PLC and 14.99 for Asda. Analysts said Somerfield's first-half results, due Jan. 19, could spark further gains.

"The results will be quite respectable." said Alexia Walker, an analyst at Williams de Broe, who has a "trading huy" rating on the stock. "The shares are on a low rating, and if the results are OK, they should rise."

But some warned that earnings growth may be harder to come by once the savings from the Kwik Save acquisition have been realized.

Paul Smiddy, an analyst at Credit Lyonnais Securities, said he doubted that former Kwik Save customers would be prepared to pay an estimated 5 percent more for their goods once the discount stores were converted to the more upscale Somerfield format.

He stands alone among analysts polled by Bloomberg News with his recommendation to reduce huying of Somerfield shares.

But others, such as David Stoddart at Henderson Crosthwaite, warn that Somerfield could 'get caught in the crossfire" as its larger rivals cut prices and the company struggled to expand same-store sales.

Recently, Asda said it would cut the price of 2,000 products in January by as much as 50

PANDA SICAV Société d'Investissement à Capital Variable R.C. Luxembourg B 58.116

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of FANDA SICAV will be held at the Registered Office in Luxembourg, IDA, Boulevard Royal, on:

Monday 18th January, 1999 at 11 a.m.,

for the purpose of considering the following Agenda-1. Management Report of the Directors for the year ended 30th

September, 1998.

Report of the Auditor for the year ended 30th September, 1998. 3. Approval of the Annual Accounts as as 30th September, 1998

and appropriation of the earnings. 4. Discharge to the Directors in respect of the execution of their mandates to 30th September, 1998.

5. Composition of the Board of Directors. 6. Election of the Auditor for a new term of one year.

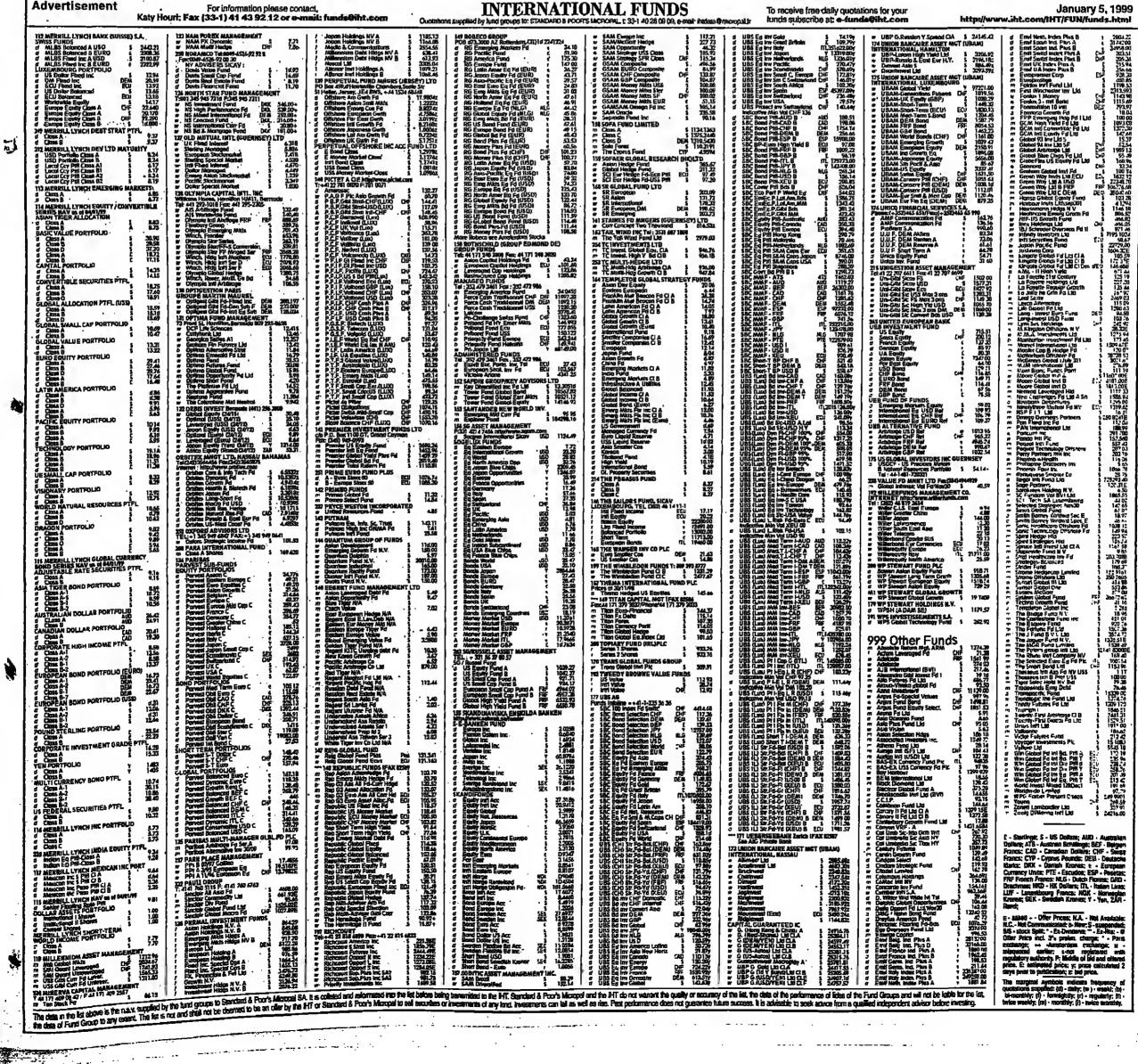
The present potice and a form of proxy are sent to all registered

meeting before January 12th, 1999.

shareholders on record at 6th January, 1999. In order to attend the meeting, the owners of beater shares are

required to deposit their shares before January 12th, 1999 at the Registered Office. The registered shareholders have to inform by mail [letter or proxy form) the Board of Directors of their intention so attend the

8y order of the Board of Directors



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NBA Union to Vote

WORLD ROUNDUP

BASKETBALL The National Basketball Association players will vote Wednesday oo the management's most recent proposal on the percentage of team revenues that go to players.

The union's 19-member nego-tiating committee, which had orig-inally opposed a vote, will tell players to reject the offer.

The union's negotiating committee planned a meeting Tuesday, probably to discuss the ground rules for the general membership vote Wednesday by about 400 class vote Wednesday by about 400 play-

Nine owners on the labor relations committee unanimously reiected the unioo's latest proposal Monday and recommended scrapping the rest of the 1998-1999

The NBA has designated Thursday as the cotoff day for reaching

David Stern, the league commis-sioner, hinted Monday that if the players failed to acquiesce and the eague canceled the current season, it might opt to start in the 1999-2000 season with replacement

Gifts for Samaranch

OLYMPICS Juan Antonio Samaranch, the International Olympic Committee chairman, was giveo at least two Browning fire-arms by Salt Lake City's bid com-

mittee, the company said.
The Salt Lake City Tribune reported Tuesday that Rich Bauter, a vice president for Browning, said a shotgun and rifle, with a combined retail value of about \$1,000, were delivered to Samaranch's office by Browning in May 1995 at the Salt Lake City bid committee's request. Browning is based in Mountain

One mooth later, the International Olympie Committee selected Salt Lake City as host of the 2002 Winter Olympics, Samaranch does oot vote on host cities.

Rules at the time barred IOC members from accepting gifts in excess of \$150.

Francois Carrard, the IOC's director general, said Tuesday: "We are checking the facts and should have some answers tomor-

Australia Wins Series

CRICKET Australia won the fifth Ashes test against England in Sydney oo Tuesday to complete a sixth successive series victory against its oldest rival. Australia won by 98 runs after dismissing England for 188 in its second in-

 Craig MeMillan and Adam Parore added 140 for the fifth wicket as New Zealand reached 323 for six in its second innings in the third test against India in Hamiltoo. New Zealand leads by 273 runs.

 In Cape Town, Jacques Kallis made of 88 not out and then took three West Indies wickets on the fourth day of the fourth Test. South Africa closed its second innings at 226 for seven wiekets, a lead of 421. West Indies was 93 for six at elose of play. (AFP, Reuters)

Blatter Proposal Fills The Cup to Overflow

What's Behind Doubling the Workload?

By Rob Hughes
International Herald Tribun

ONDON — Christmas is barely over and while most of us wait for our appetite to return, Sepp Blatter, the president of FIFA, the governing body of world soccer, offers us another

His call for a soccer World Cup every two, instead of every four, years is either greed or a surprising misunderstanding

WORLD SOCCER

of what makes the tournament the most palatable oo earth. That, dear president, is the scarcity of it, the loog and eagerly awaited four-year cycle, the time to savor the memory. In truth, Blatter probably knows

Why, then, is be risking his cred-ibility, in his first term of office, hy making the New Year call to double the workload in the sport? Why, indeed, does he broadcast his intent less than a month after his end-of-year address in which he talked of the "enormous" workload of FIFA: the challenge of the Korea/Japan 2002 World Cup, the organization of what he calls four major competitions in 1999 as well as FIFA's deily routine? daily routine?

The four competitions are already overkill. April brings the FIFA World Youth Championship in Nigeria, a land painfully uncertain of its path from mil-itary to civilian rule. June and July offer the FIFA Women's World Cup in the United States. Late July and early August inflict on tired players the FIFA Confederations Cup in the heat and alti-tude of Mexico. November invites old administrators and young players to New Zealand for the FIFA Uoder-17 World Championship.

I'm exhausted setting the agenda down. Somehow the players of the world's leading soccer countries must also cope with the demands to win trophies for the clobs that pay the bulk of their wages. European players must also play for their countries in qualifying for Euro 2000. Players from the Americas have the similar Copa America. Get the picture? Exhaustion, fine tal-

ents pushed on so many fronts, players who somehow become everyone's commodity and who are ordered to play, play, play unless doctors can show they are incapable of doing so.

Whose body is it? some players are beginning to ask. FIFA and UEFA, the European governing body, and no doubt the other Continental organizations, know what the responsible medical experts are saying — that the joy of the world's most popular, and thus most marketed, game cannot be stretched any further while those who do not play, and possibly never could, keep upping the

Blatter is aware of this. It was he who commissioned FIFA studies oo the wear and tear and campaigned for a change of law to ban the tackle from behind because it wrecked the fine career of Marco van Basten.

Blatter, too, has formed a committee comprising himself, Angel Maria Vil-lar, president of the Spanish soccer federation, and four idols - Franz Beckenbauer, Bobby Charlton, Michel Platini and Pele.

"It will not be the committee's joh to discuss the laws of the game," Blatter said, "but to conceotrate on the future welfare of football. Football should re-main in the hands of football people."

Bravo, Sepp. Pretty soon, those people, Peie and Charlton for sure, will tell you that the interests of the game cannot be served by driving players past their peak. Charlton, a director of Manchester United, and Beckenbaoer, president of Bayern Munich, appreciate the supreme effort and the millionaire salaries their clubs pay to extract week hywateck performance.

extract week-by-week performance.

They know that oational teams pay the same players comparatively little for the "hooor" of representing their countries. They know the ever-increasing calls made on those performers. The game is faster — at the cost of skill — than in their day. The games follow each other faster, moch, much faster. And of course the rewards are off the scale of human expectation.

HICH BRINGS us back to Blatter's New Year message that it's time to double the World Cup workload. He has in mind the assault on national team soccer made some years ago by Silvio Ber-lusconi, the owner of AC Milan, who said that soccer of the future will care more about the clubs than national teams. Berlusconi remains the driving force behind the rush toward a European Soper League, which, for the moment, has been detailed by an expanded UEFA Champions League (and en-

larged income to the big clubs).

If that is Blatter's game, if the president of FIFA is threatening more World Cop commitments to show the elubs who rules, then let him spell it out. He would not win the fight because players are greedy individuals who would revolt against the idea of doing more for their countries and less for their bank bal-

Blatter says there are enough dates for a hiennial World Cup, though a coordination of the calendar on all continents is required. Moreover, he wants a 24-natioo tournament to celebrate FIFA's centenary in 2004, ignoring (or confronting) the fact that this is also UEFA's half-century and the mid-year between World Cups is traditionally when UEFA holds its European cham-

The members of the FIFA executive committee seem surprised by Blatter's call. They were disaffected with the habit of the retired president Joao Havelange of procouncing first and consulting afterward. Now, Blatter tells the world before he opens his mind to them. They are protective of their Continental tournaments and sensitive to the predatory aims of entrepreneurs outside

If the president shows that FIFA can double its money — can tweak \$1 billion out of TV companies, and the same again from sponsors, every two years --they might follow him. Bot maybe Blatter starved himself over Christmas. Maybe his hunger for more is, as he insists, in tune with faster, leaner modern times. But tell that to the players'

Rob Hughes is chief sports correspondent of The Times of London.



UPWARD CURVE - Patrick Holzer of Italy rounding a gate Tuesday in the World Cup giant slalom in Kranjska Gora, Slovenia. Holzer, who leapt from sixth to first on the second run. It was Holzer's first victory in seven years. Austrians Christian Mayer, Hans Knauss and Benjamin Raich took the next three places.

Rangers Rally to Victory On a Night of Comebacks

On a night of come-from-behind vietories in the National Hockey League, the New York Rangers fell behind by two goals before scoring the cext four against the San Jose Sharks.

We kept on at them," said Wayne Gretzky, the New York center, after the Rangers won, 4-3, on Mooday night at

NHL ROUNDUP

Madisoo Square Garden in New York. 'We were playing hard, doing a lot of good things. The Rangers recovery started with a goal hy Mike Knuhle at 12:29 of the

second period. Todd Harvey and Kevin Stevens scored in a 25-second span in the third period. Senators 4, Horricanes 4 The Car-olina Hurricanes mped out to a 4-0 first-period lead before falling apart

against visiting Ottawa.

Alexei Yashin, Shann Van Allen and Jason York scored in a span of 4:28 in the third period for Ottawa, which extended its unbeaten streak to five

Paul Ranheim had a goal and two assists in Carolina's four-goal first peri-

Leafs 5, Lightning 4 In Toronto, Frederik Modin's deflection goal at 1:54 of overtime gave the Maple Leafs a come-from-behind victory over last-place Tampa Bay.

ous comeback to subdue the Lightning, who led, 3-0, in the second period and 4-2 entering the third period. Wendel Clark of the Lightning, a Toronto fan favorite from his days with the Maple Leafs, had three assists.

Avalanche 4, Canadione 3 Claude Lemieux had two goals and Marc Denis got his first career victory as Colorado beat Mootreal to end a monthlong home

THE INTERMARKET

Campbell emerged from a four-game benching with his second goal of the season and Jamie McLennan recorded his fourth career shutout to band Vancouver its sixth straight loss.

Predators 2, Ducks 1 Cliff Ronning had two assists and Tomas Vokoun made 28 saves as Nashville beat visisiting Anaheim to snap a four-game losing streak.

Bruins 5, Flames 1 In Boston, Sergei Samsooov scored two goals and Byron Dafoe made 39 saves as the Bruins handed Calgary its seventh straight

■ Blues Hit With Record Fine

The NHL said it had levied a record \$1.5 million fine against the St. Louis Blues for approaching the defenseman Scott Stevens in 1994 while he was negotiating a new contract with the New Jersey Devils, The Associated Press reported from St. Louis.

St. Louis admitted wrongdoing in the four-year-old case and said it would not contest the fine, levied by Commisioner Gary Bettman for violation of the NHL constitution and by-laws. Bettman also ordered the Blues to surrender one first-round draft pick to the Devils be-tween 1999 and 2003.

The Devils will receive \$1,425 millico of the fine.

"I don't think the compensation could be severe enough," said Lou Toronto was forced to mount a furi-us comeback to subdue the Lightning, manager. "Anybody who tries to cheat, and I doo't know if that's the word to use, should be reprimanded to the highest order."

The fine was two-prooged: \$500,000 for tampering by oegotiating terms of a free-agent offer to Stevens prior to the free-agent signing period that began Jo-Iy I, 1994; and \$1 million for entering into a side deal with Stevens and his agent, the late Richard Bennett.

Ryan, Brett **And Yount Voted Into** Hall of Fame

The Associated Press NEW YORK - Nolan Ryan, George Brett and Robin Yount were voted into the Hall of Fame Tuesday. It was the biggest class of first-time candidates since Babe Ruth and four others were chosen in the original election of 1936.

Ryan, the greatest power pitcher ever with a record 5,714 strikeouts and seven no-hitters, was named on 98.79 percent of the ballots - one vote short of bearing former teammate Tom Seaver's 98.84 in 1992 for the highest total in

history.

"It's certainly an honor that I was thought of on that level," Ryan said.
"Tom was obviously one of the best pitchers I ever saw throw the base-

Brett, 13th on the career hits list with 3,154, made it with 98.19 percent, the fourth-highest total, and Yount, with 3,142 hits and two American League Most Valuable Player awards, was

elected with 77.46 percent.
"I was flabbergasted," Brett said of his vote total. "It just knocked me on the floor. Obviously, I was very, very pleased But in all honesty, I was just as

pleased But in an array pleased for Robin."

"Of all the guys I played against," he said, his voice cracking, "probably Robin is the guy I enjoyed playing

To gain election, players had to be placed on 75 percent of the ballots cast by 10-year members of the Baseball Writers' Association of America. There were a record 497 ballots cast — Ryal was named on a record 491. Brett 488 and Yount 385.

'I'm oot one that ever takes this kind of stuff too seriously, but my stomach's kind of been in knots for three or four days, so maybe somebody's telling me this is pretty good stuff," Yount said. Carlton Fisk, another first-time can-

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WRITH ALL VI

RURITIMEN

didate, fell 43 votes shy of the required 373 with 66.40 percent. Tony Perez missed in his eighth try with 302 (60.76

Ruth, Ty Cobb, Walter Johnson, Hoons Wagner and Christy Mathewson. were taken in the first election ever. Since then, never more than two firsttimers had been taken, the last time in 1990 when Jim Palmer and Joe Morgan

In all, 29 rookie candidates have been taken since that first election. Miked Schmidt had been the last to do it in

Joe DiMaggio, Roy Campanella and Harmoo Killebrew were among the players who did not get elected on the

The last time the BBWAA voted in three players overall was 1991 - Rod Carew, Fergusoo Jenkins and Gaylord

Induction ceremonies at Cooper stown, New York, are scheduled for July 25. The Hall of Fame exhibition will be the next day, and it seems fitting. that Ryan's Texas Rangers will take on Brett's Kansas City Royals.

The Hall's membership could in-crease again on March 2 when the Veterans Committee votes in Tampa, Florida. Bill Mazeroski, Orlando Cepeda, Dom DiMaggio and Dick Williams, a fomer manager, will all draw support.

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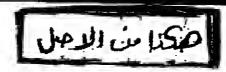
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SPORTS



The Vols' Peerless Price outrunning the Seminoles' Mario Edwards for a score.

Tennessee Hangs On to Win National Title

Price Is Peerless and Vols' Defense Excels Against Florida State in the Fiesta Bowl

By Leonard Shapiro Washington Post Service

help from a remarkable 79-State in the Fiesta Bowl, fin- marking the 12th consecutive national championship since top four. the 1951 seasoo.

season since 1938, and it oc- scares. curred one year after Peyton nessee, departed for the National Football League.

trophy on the field immedi-TEMPE, Arizona - With ately after the game, and with help from a remarkable 79- one ballot outstanding, the yard touchdown catch in the Volunteers earned all 69 firstfourth quarter by the appro-priately, named Peerless sociated Press media poll. Price, No. 1-ranked Tennes- Ohio State (11-1), the Sugar see held on for a tense 23-16 Bowl-champion, was second indicated that the ball bounced victory over No. 2 Florida Florida State (11-2) was third, up and touched Janikowski

The Volunteers (13-0) re-ranking and record, Tennescorded their first undefeated see had to survive several late

First, there was a seven-Manning, the quarterback yard touchdowo run by Mar-who was a folk hero at Teo-cus Outzen, the Florida State quarterback, that made the score 23-16 with 3 minutes 42

that Janikowski touched the covered for Florida State. ball before it had gone the required 10 yards, and replays the game and possibly send it 20, and three plays later faced iust after he kicked it. Bobby ishing a stirring run to its first sessoo it has finished in the Bowden, the Florida State's coach, had no complaints.

"I think the call was accurate," said Bowden, whose team was pecalized 12 times for 110 yards. "They could have missed the call, but they spotted it. Somehow the ball hit him. The call was a good one hy the officials.

Tennessee then took pos-

Tennessee was awarded seconds to play. That was folgested a second a had moved to a first down at the national championship lowed by an onside kick that game-clinching score, but the Tennessee 26. The Vols appeared to have been re- tailback Travis Henry fumbled stiffened considerably there. covered hy Florida State's at the Florida State 10-yard and when Outzen was sacked kicker, Sebastian Janikowski: line with 1:29 remaining. The by the tackle Darwin Walker But game officials ruled linebacker Brian Allen re- on third down, Florida State

> Given one last chance to tie ceiver Laveranues Coles. The pass was opped hy one

Minutes later, the celebrating began in earnest among thousands of orange-clad Tennessee fans among the record crowd of 80,470 that included

sabotage every impressive play they made see's defense that became the with a dumh personal foul penalty, which is major story in this first nanot exactly a problem of timing or execution. tional title game of the Bowl Champiooship Series. Price, a senior, was a high-

light film in a game marred by erratic play oo both sides of the ball. He caught a long pass in the second quarter to set up Tennessee's first touchdown of the night. Then he set a Fiesta Bowl record with his 79-yard grah for a score with 9:17 left in the fourth quarter for a game-breaking 20-9 advantage. The extra-point at-

tempt was blocked. Before that score, the Vols had been holding oo to a tenoous five-point lead, and had

was forced to punt.

Tennessee took over at its into overtime, however, a third-and-nine situation at Bowden elected to call a deep its 21. Price found himself in its 21. Price found himself in pass play on first down. Outsingle coverage against the zen heaved the ball more than cornerback Mario Edwards. 50 yards toward the wide re- He ran a simple go route. quickly got a step on the defender and Martin laid the ball defensive back, then intercepout so that he could catch it in ted by Steve Johnson, full stride, it was a breathtaking play that marked the beginning of the end for Flor-ida State's hopes of a second national title for Bowden.

In the secood quarter, with Perfect Season

Florida State's defense, ranked first or second in the country in all major categories, got most of the outice during the week-long huild up. Instead, it was Tennessabotage every impressive play they made

In the second quarter, with the game scoreless, Price hauled in a 76-yard pass from Martin, setting up a 24-yard field goal by Jeff Hall. After the kick, Hall took a lovely dive following little contact with Dexter Jacksoo who was called for a dubious roughing-the-kicker penalty. Tennessee took the three points off the scoreboard and accepted a first down. Two plays later, Martin rolled to his left and found fullback Shawn Bryson open in the flat for a touchdown that gave the Vols

a 7-0 lead. Tennessee expanded the lead almost immediately. Dwayne Goodrich, a cornerback, stepped in front of a down-and-out pass inteoded for Peter Warrick, intercepted it and made a 54-yard return for a touchdowo — Tennes-see's second in 25 seconds.

Suddenly, the Volunteers had opened a 14-0 lead on the just made a sweet stand on stunned Seminoles with 13:40 defense after Florida State left in the second period.

Amid Flutter of Penalty Flags, Volunteers Cap Perfect Season

TEMPE, Arizona — If you go 13-0, win the murderous Southeastern Conference and beat Florida State in the Fiesta Bowl. you have to be voted No. 1. Case closed. When Tee Martin lofted that dreamy, 79-yard pass to Peerless Price with nine minutes to play, Tennessee won the national championship. No computer index or poll or silly Bowl Cham-

pionship Series formula will argue that. But what a terrible championship game. Bad offense, bad defense, bad kicking games, stu-pid penalties. The final score was 23-16. You cannot overstate how wretched a performance this was. For both teams. College football came rolling into the weekend with hig momentum from some pretty decent New Year's Day bowl games, got pushed to the back hurner hy the National Football League playoffs, then

served up this overcooked dish.

SCOREBOARD

ICEHOCKEY **NHL Standings**

Vantage Point/MICHARL WILBON

Gators were ranked second in The Associated Press poll, beat Georgia on the road when the Dawgs were ranked No. 7, beat Arkansas when the Hogs were undefeated and ranked No. 10, beat Mississippi in the SEC title game when the Bolldogs were ranked 23d and beat Florida State in the biggest pressure game of all wheo the Seminoles were ranked No. 2.

But wouldn't you just love to see Tennessee and Ohio State, which finished the season No. 2, duke it out after a six-day layoff, not a six-week layoff?

Sadly, we are instead left with memories of penalty flags flying, people jumping offsides, lining up incorrectly, and running into the kicker. Florida State had 12 penalties for 110 yards and gave away its final chance at getting

S.L.- 10-16-8-34. Gooffes: V-Hirsch, Snow, Hirsch, S.L.-McLennan, Toppe Bey 2 2 0 0-4 Toppe Bey 2 2 1-5 First Period: Tampa Boy, Tucker 10 (Clork), 2 Tampa Boy, Lecovolier 7 (Richer) Second Period: Tampa Boy, Selivanov 6 (Clork), 4. T-Berezin 11 (Karalev, Volk) 5. T-Sundin 12 (Thomas, Cote) 4. Tampa Boy, Andersson 2 (Clork, Cullimore) Tahri Period: T-Thomas 15 (Kaberle, Sundin) 8. T-Johnson 11 (Berezin, Kaberle) Overtiams: 9. T-Modan 12 (Yushkevich, Kaberle) Overtiams: 9. T-Modan 12 (Yushkevich, Kaberle) Overtiams: 9. T-Modan

11 (Bertenn Kapele) Obertane 9. 1-Moon 12 (Yushkerich, Sundin) Shots an gook Tampa Bay 13-6-10-0-29, T-6-15-14-2-37, Gogdes: Tampa Bay, Ramturd. T. Joseph. Masrired 2. 0-3 0-3 Colorede 9. 2. 1-4

Prist Partner Note: Second Period: M-Zhathak 2 (Poulin: Dowe) 2 C-Yelle 3 (Domovon, Drury) 3. M-Koiru 6 (Strage) 4 C-Drury 9 (Schick Kamensky) 5. M-Rudonsky 9 (Outhnot, Domphousse) 6 C- Leminus 13 (Sakic, Forsberg) (pp). Third Period: C-Lemieux 14 (Schic, Forsberg) (pp). Shots on

1001 M. 9-14-11-34 C. 9-14-5-28 Goodles

FOOTBALL

THE FINAL AP TOP 25

holding a playoff. Championship games should feature people making spectacular plays and going boldly for two-pointers at game's end. It is fitting that FSU's attempted on-side kick

with 3 minutes 41 seconds to play was ruled illegal — the Seminoles kicker appeared to have the kick bounce off his own leg — because there is no way in the world this dog of a game deserved a great ending. Tennessee did try to make it dramatic, though, hy running and fumhling the ball away in the final 90 seconds. The videotape of this baby should be burned so that future generations grow up believing our in-

cessantly hyped games were actually worthy.

It is difficult to imagine the Nos. 1 and 2 teams in the polls could play any worse than Florida State and Tennessee did. Both teams

Others receiving votes: Colorada 46, Marsholf 45, Oregon 28, Mississippi 5t, 10, Mami, Otho 9, West Virginia 6, Idoha 3, Texas Citristian 2, Mississippi 1, Southern Cal 1.

Jollege Bowl Gam

FIRSTA BOWL

BASKETBALL

U.S. COLLEGE SCORES MONDAY RESULTS

MEN

No. 3. Circianati (13-8) def. Marquette 75-56. No. 4. Stantord (12-2) def. Gregori 77-59. No. 7. LICLA (10-2) def. Artana 9t. 88-85. CT.

No. S. Arizona (9-1) def. S. California 87-76. No. 10. St. Jahrs (12-2) def. Niogara 115-76. No. 15. N. Mestor (12-2) tost to Frenco St. 86-80. No. 25. California (18-2) def. Oragon St. 54-52.

TOP 25

11. Texas A&M 12. Michigan 13. Air Farce

Navy 75. Harvard 71 Seton Hail 72, Georgetown 61 Defroit 43, Wis.-Green Boy 37

WOMEN TOP 25 No.6 M.C. (17-1) def. No. 12 Clembon (13-2) 87-76. Na. 13 Dide: (13-0) del. Na. 22 Va. (8-0) 84-68 Na. 14 Virginia Tock (13-0) del. Dayton 76-59

THE AP TOP 25

Top 26 teems in The Associated Press' men's college besteadell poll, with 1st-place votes in persistrates, records through Jan. 1, total points based on 25 points for 1st-place vote through 3 point for 25t-place vote through 3 point for 25t-place vote and previous ranking:

Others receiving votes: Ohio St. 66, Oregon 61. Providence 46, Loutoville 33. Caff. of Charleston 26. Miami 25. Plorida 24. Georgia

1,435 1.424 1,268 1,128 1,079 1,064 1,019 1,014 975 870 742 719 661 584 529 366 256 276 193 121

1. Connecticut (55)

1 Condensati (3)

While Tennessee was guilty only of bad football — a 76-yard pass from Martin to Price that brought the Vols to 12 yards from the goal line was followed by three off-mckle runs for five yards -- Florida State was guilty of being dumb. Dexter Jackson first was called for run-

ing the kicker on a Tennessee field goal.

The Seminole quarterback, Marcos Outzen, who replaced the injured Chris Weinke in November, was making only his third start; he found the wide receiver Peter Warrick only ooce for seven yards.

ning into the punter, then was called for rough-

Anyway, Warrick was clearly the only real weapon the Florida State offense had. Nobody, Now, Volunteers folks have waited 47 years the ball back by committing yet another perhad trouble simply lining up to run a play and that includes the Heisman Trophy winner, richis victory. But Tennessee, from all inscentions, would have beaten anybody on deck the game it deserved for putting this foolube. The first half looked like high school spring of the first half looked l this season. The Vols beat Florida when the ishness on the sporting public all year instead of practice. The 30-plus days off the two teams over, the ballot box was merely a formality.

21, Southern Cal 2a, Pittaburgh 19, Creighton 17, Temple 15, SW Missouri 51, 12, Tatedo 11, Dischanne 9, Villemone 9, Colondo 51, R. Woshington 8, N. Condino 51, 7, Murray 51, 6, Tulsa 6, Morni Ohio 5, Detroit 4, Kansas 51, 4, Utula 4, Missouri 3, Temessee 2, DePoul 2, Chill Publisher 2, Valer 2, Caparaga, 1, Penn

195; 5, Hermann Moier, Austria, 161; c Asmoot, 144; 7, Kjus, 127; 8, Knouss, 116; 5 Schlichegges, 100 and Marco Bueche Liechtenstein, 100,

STH AND PRIME ASHES TEST, 4TH DAY THESDAY IN SYDNEY USTORIO: 322 and 184. England: 220 and 188

Australia won by 98 runs and took series (31) for the slidth sciencessive fune. SOUTH AFRICA VS. WEST HEREE POURTH TEST, FOURTH DAY TUESCAY IN CAPE YORM

idles: 212 and 93-6. NEW ZEALAND VS. [NO! THIRD TEST, FOURTH DAY colond: 366 and 323-6. AUSTRALIA A VE. SRI LANKA

CRICKET

ADSTRALLA VS. ERGLANI

LIMITED OVERS MATCH Sri Lanka: 227-7 in 50 overs. Australia A: 203 in 47.5 overs

South Africa: 406-8 dec. and 226-7 dec.

SKIING

WORLD CUP TUESDAY DI KRANLISKA BORA, RI DYF MEN's CLANT SLALOM
Patrick Hotzer, Hary, 2 min., 14,91 sec.
Christian Mayer, Austria, 2:15.15. 5. Joel Chendi. France, 2:15.85.
6. Losse Klub. Narway, 2:16.06.
7. Kleill Andre Aamodt. Narway, 2:16.12.
8. Michael Van Grusenigen, Switz, 2:16.55.
9. Heira Schlichegger, Austria, 2:16.70.
10. Fredrick Nyberg, Switze, 2:16.80.
6lant BLALOM inflort-process: 1, Mayer, 200 points: 3, Holzef, 240; 3, Van Gruenigen, 202: 4, Staphan Eberharter, Austria, 1915. 5, Hermann Moser, Austria, 141; 6.

Decirienston, 100.
OWERRAL, Letter 14 overstaft 1. Acelet, 651 points: 2. Klus. 577; 3. Mayer, S42; 4. Eberharier, 528; 5. Aamoot, 461; 6. Knows, 349; 7. Andreus Schifferer, Austria, 280; 8. Weiner Franz, Austria, 249; 9. Von Gruenigen, 242; 10. Holter, 240.

SOCCER RHOLESEI FA CUP

TENNIS HOPMAN CUP

TUESDAY IN PERTIL AUSTRALIA SLOVAN REPUBLIC 2, SWITZERLAND 1
Martina Hingts, Switzerland, dcf., Karlna
fobaudova, Slovak Republic, 6-0, 8-3,
Karol Kucerna, Slovak Republic, def., Iva
feuberger, Switzerland, 5-7, 6-4, 6-3.

over and Kucera def. Hilogis one GROUPE FRANCE 2. SOUTH AFRICA 1
Amondo Coetzor, Soeth Africa, def.
Sondrine Testud, France, 7-6 (7-5), 6-1.
Guiffaume Rosox, France, def. Woyne Ferreira, South Africa, 6-3. 7-5

TRANSITIONS

FOOTBALL

NATIONAL POOTBALL LEAGUE CAROLINA—Numed George Serieri co CHICABO—Signed OL Greg Humingto Liris Anderson and DE James Baron

NATIONAL HOCKEY LEAGUE Fined St. Louis 51.5 million for formpering with New Jersey D Scott Stevens, prior to July 1, 1974 expiration of his contact and ordered club to surrender one 1st-round seordered Club to surrender one 151-round se-lection in any of next 5 enrhy drafts (a New Jersey, Awarded New Jersey the one-fine high to trade 151-round positions with 51. Louis in any other entry draft in next 5 years. CALGARY—Recalled F Hnat Domenichetti and F Cluts Dingmon from Solat John, AHL FLORIDA—Recalled F Marcus Nilson from New Home, AHI Dut & Alex Micha on Io.

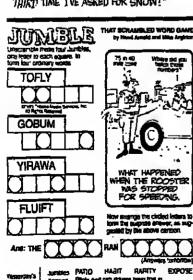
New Hoven, AHL. Put F Alex Hicks on In-jured reserve. LOS ANGELES-Activated F Eric Locroix active to Dec. 29.

Housten of IHL
st. LOUIS-Assigned C Marty Re
Worcester, AHL
WASHINGTON-Recalled G Milk
from Portland, AHL
COLLEGE DRIGHAM YOUNG-Annaunced Junior Of John Tolf will lorgo his remaining and enter NFL draft.

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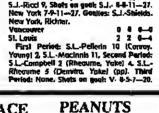


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First Pertod: A-Olausson 5 (Rucchin, McInnist (pp). 2, Nashville, Kjelberg 8 (Brunstte, Ronaling) 3, Nashville, Heword 3 (Ronaling, Brunsette) (pp). Second Period: None, Third Period: None, Stats on goul: A-9-11—29, Nashville 9-10-2—20, Godiles: A-Hebert, Naphville, Valcand.

Axelasoni 2 B-Samsanov 12 (McLaren, Sweeney) 3, C-Fleury 19 (Nylander) Second

Sweeney J. C.-Fleury 19 (Nytanderi Secusal Periode B-DiMalo 2 (Ausisson Bourque) Third Periode B-Leisze 11 (Bates, Ferraro) 6. B-Samsanav 14. Shots on goal: C. 19-11-10-40, B-14-9-15-38. Geatles: C-Treflov, Garner, B-Darloe.
San Jase
N.Y. Rompers

1 1 1 1-3
N.Y. Rompers

1 1 1 1-3
N.Y. Rompers

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Suther) J. New York, Knuble 8 (Sundstrom, Suther) J. New York, Knuble 8 (Sundstrom, Suther) J. New York, Craves 19 (Savard, MacLean) 6. New York, Stevens 9 (Savard, MacLean) 6. New York, Graves 17 (Marrey, Samuelasard) (ppl. 7.
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SENT COOKIE 50 CASES

OF FAKE FLOWERS?!

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THEY LOOK MORE

LIKE SUBMARINES.



THESE ARE SUBMARINES

PATROLLING THE ENEMY SHORE.



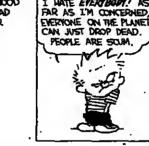


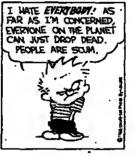
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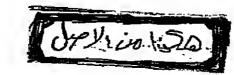


WHEN ARME BEGAN TO SUSPECT HIS WIFE DIDN'T REALLY INDERSTAND HIS WORK ...

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By Irvin Molotsky

New York Times Service

WASHINGTON — The

gers of large companies into even larger ones last year has

raised fears at many arts or-

ganizations and other non-

profit groups that a decline in

corporate donations may be

an unfortunate hyproduct. Several of the merging

companies say they will

maintain their contributions.

research director of Giving USA, which tracks contribu-

nions. "Companies' by their nature are not philanthropic.

They are giving to advance

sophy, overlapping contribu-

other potential donors.

institutions in 1997, account-

record number of mer-

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Athol Fugard Fulfills a Promise to His Mother

By Mel Gussow New York Times Service

booked passage on a tramp steam-

er, working as "the captain's ti-

ger," or all-purpose assistant. On

hoard, he found time to write his

firstnovel, a book about his mother.

But in Fiji, in a fit of desperation, he

threw the manuscript into the sea.

Fugard's new play, "The Captain's Tiger," is in previews at the Manhantan Theatre Club, where it is scheduled to open Jan. 12. Subtitled "A Memoir for the Stage," it deals with what happened when Fugard whimped out on the steamer an ex-

shipped out on the steamer, an experience that represented his coming of age. In a sense, the play is a substitution for that early discarded novel, as an older artist looks back at a turning point in bis life.

"What I never realized," he said in an interview. "It that writing

in an interview, "is that writing 'The Captain's Tiger' fulfills the

promise I made to my mother to

deliver a body of work of which she

would be proud and that would

art would be strong because it was

inspired hy her virtues: "courage,

That letter was published some

years ago in a critical hiography of

the playwright. When it was read

with emotion. He had forgotten what

what had followed in his life.

an indomitable will and faith."

itable contributions. The share rose to 12 percent when contributions to churches and other religious insotutions, which are made largely hy individuals, are removed

POSTCARD

Casualties of Mergers

Much of this giving is centered on the communities where companies are based; and after mergers they are based in fewer places. Lee Cassidy of the Nation-

al Federation of Nonprofits said: "Corporations that es-But "what usually happens is tablish themselves through headquarters or plants or even that the combined companies sales offices in a community do not give as much as each tend to support that commucompany was giving indi-vidually," said Ann Kaplan, nity because the people who work for them live in that

Take the largest proposed merger of last year: the \$86 Recipients of corporate billion marriage of Mobil and gifts fear that those interests Exxon. Mobil has been idenmight change because of tified with arts giving for shifts in corporate philo- years, most prominently as tions among newly merged contributors to public televicompanies or the closing of headquarters in cities where a merged partner has long had a presence. Some local arts agroups say that even the loss of a modest group to all the companies of the c of a modest grant could be detrimental, because contributions from blue-chip companies serve as marks of renewed its commitment to

an organization's value to the show through 2002. But arts organizations in the There were more than Washington area, where Mo-12,000 mergers in the United hil has its headquarters, are States last year, although concerned. Although Mohil's many of them are still await-ing federal approval. Among headquarters will remain, its ing federal approval. Among the companies involved are major arts patrons like AT&T. top corporate officers will be leaving, along with other highly paid executives and, not

Bell Atlanoc, BankAmerica, Chrysler and Ciocorp. incidentally, the people who The role of corporate donamake decisions on donadons. tions in the arts and other phil-When Exxon moved to anthropic activity is huge. Giv-Texas eight years ago, for ining USA says that corporations stance, it phased out much of gave \$8.2 billion to nonprofit its support for community or-

ganizations in New York.

venture. When her husband, a pi-anist in a jazz band, retired and fell into years of defeat and alcoholism, she supported the family hy ruo-ning a café in Port Elizabeth. Scraping by on ber income, she sent her son mooey to come home. TEW YORK -- In 1953, Athol N Fugard quit the University of Cape Town and bitchhiked up through Africa to Port Sudan. Stranded, without money, he Returning to South Africa, he

began his writing career.
Through the years of apartheid, as
South Africa's foremost playwright. his voice rang ont clearly against racism, oppression and censorship. Plays like "The Blood Knot." "Boesman and Lena" and "A Lesson From Aloes" were consciencestruck about events in his country. All his work seemed to lead to "Master Harold"... and the Boys" (in 1982), an autobiographical play in which he looked back at his friendship with true black me had friendship with two black men who were waiters in his mother's cafe.

Chronologically, "Tiger" fol-lows "Master Harold," and it is something of a sequel. In both plays, he said, "I am at a desk writing, trying to unravel the story of a mother and father," and in each case, a black man is watching him. In "Tiger," he has imaginary con-versations with his mother as a young woman as he tries to rewrite occuracion behind all of it."

The promise came in a letter be wrote to his mother, Elizabeth, when his ship docked in Honolulu: alty. "She was a woman who had sacrificed herself for her husband. The new play is the latest work in Fugard's post-apartheid period."

dela as president of South Africa in 1994 and with the end of apartheid, the playwright wondered if he would be at a loss for material. "South Africa," he said, "had to do a complete 180-degree turn in terms back to him, his eyes clouded over of the poliocal miracle of the 20th century for me to realize that somehe had wrinen, and he was moved by body had pulled the plug, in a sense, as an indulgence during those years what he now remembered and by on what was one source of energy in of apartheid," and he still had "an my work — my feeling of outrage After he told his mother about his decision to leave the university before graduating, she encouraged before graduating, she encouraged by the first him in the about the followed in his life.

In subsequent plays like "Valley in the about the distribution of the about two disparate members and is normalized when he about the distribution in the first limit of the about two disparate members and is normalized when he about the about the distribution in the about the about the distribution of the about two disparate members and is normalized when he about the about the distribution of the about the about the about the about the distribution of the about the ab



Fugard's post-apartheid period.

With the election of Nelson ManFugard, standing, with Tony Todd in "The Captain's Tiger."

To his surprise, after apartheid, Fugard felt a kind of creative liberation. He was "free to tell personal stories that I would have thought of

incurable itch to write."

reach your grave unburdened. That in "Master Harold"). With "The will never happen to me, but it's a Captain's Tiger," as is often the great sense: unburdened." case, the author is also the director

and plays the central role. The third character in the play is an illiterate Swahili stoker called Donkeyman who becomes a friend of the author's and is transfixed by the idea that he is writing a book and is horrified when he abandons it. With his intensity, Donkeyman

him in what other parents might a wonderful phrase in Kazantzakis of his family, he began focusing the destruction of the manu-have considered to be a foolhardy where he talks about the need to more on private matters (as be had script was, for Fugard, an act of The destruction of the manuing at you.

betrayal, akin to the scene in "Mas-ter Harold" when his surrogate, Hally, spits at Sam, one of his moner's waiters and the boy's devoted father figure. "My life is linered with betrayals." he admitted, and added, "I think that generates the plays." In the case of the discarded

Bould Bails See

novel, it was a hetrayal both of his mother and of Donkeyman. Asked how he could have thrown away the manuscript, he said: "? think it might hove had something to do with the fact that Fiji was the moment of real despair on the entire

rip. I felt there were no roads from Fiji to South Africa. That led to drinking, and when I really hit bor. tom, I got very self-destructive." But some people who felt so de-pressed might have jumped over-board. "Survivor," he described himself. "Which saved me so many times on the edge of that cliff." That in effect was the beginning of the new play, although it was more than

40 years before he could write it. In the intervening time, he en dured the hardships of a tumultuous political period - including having his passport taken away by the South African government in 1967—and he confronted his own alcoholism.

In recent years there have been major changes in his life. He bought a home in Carmel, New York, and divides his time between the United States and South Africa. His daughter, Lisa, once an actress, is now a writer, in common with her parents.

writer, in common with her parents.
Fugard's wife, Sheila, is a novelist.
Speaking about other changes.
Fugard said: "I gave up drinking. I gave up smoking. Two weeks ago I gave up coffee." Then came his announcement: "I'm giving up acting." The last performance of "Tiger" in February, he said, will be his final stage appearance.

be his final stage appearance. He closed the conversation with a hit of advice: "You must nevermake rules about writing. That's the first thing I say when I talk to students. After I said that in one lecture, a student asked, 'So how do' moment when the paper isn't look-



PRINCELY ASCENT - Prince Charles of Britain and his son, Harry, cellent condition and were found inside taking the lift up a mountain at the Swiss resort of Klosters on Tuesday. a tomb near the Pyramid of Teti in

TWO people who threw custard pies at Bill Gates, the chairman of Microsoft, in Brussels last February have been fined by a Belgian court. The two, who were oot identified, were fined by the Police Court in Brussels, a spokeswoman for the Public Prosecutor's Office said Tuesday. She said she could oot detail the amount of the fines, but the newspaper La Derniere Heure reported that each was fined 3,000 Belgian francs (about \$90). Gates was visiting Brussels after a meeting with world and business leaders in Switzerland when the attack

Three wooden statuenes thought to be more than 4,000 years old have been found in a tomb in Saqqara, south of Cairo, the Egyptian government said Tuesday. The statuettes represent the same person in three positions, said the secretary-general of council of antiquities, Gaballah Ali Gahallah. "These rare and beautiful statuettes are in exdisplayed at the Egyptian Museum in

Carl Bernstein, who has written about Richard Nixon and Pope John Paul II, is working on a book about Hillary Clinton. He has signed a deal with Knopf to chronicle the life of the

Saqqara," Gahallah said. They will be woman he calls "clearly one of the most dowed by a feudal lord has been disremarkable figures of our time." Marsba Berry, a spokeswoman for the first lady, said she had not spoken with Bernstein aboot the project and could not comment on whether Clinton would submit to interviews.

A 350-year-old scholarship fund en-

£9.95 Can Now Get You One £5 Diana

PEOPLE

The Associated Press ONDON — Britain's Royal Mint introduced a £5 coin on Tuesday in memory of Diana, Princess of Wales. The coin features a portrait of Diana in profile on one side and the standard image of Queen Elizabeth II on the other. It is the first official memorial organized by the Diana, Princess of Wales Memorial Committee, which was formed after the princess's death in 1997 to come up with suitable ways of bonoring her. A commemorative coin was one

The coin, which is legal tender, can be purchased in a special commemorative folder for £9.95 (\$16). Gold and silver versions of the coin will be

vailable in April. The coins will also be sold at face value offices after July 1. Diana's hirthday. The proceeds are to go to charities and other memorials.

covered and will soon benefit needy university students. Italian newspapers report. The fund was endowed by Clemente Loddo, the lord of the northern town of Aritzo, who died in 1641, hut his will was lost for centuries and not students ever benefited. The fragile parchment that set up the fund was discovered recently in the papers of the Loddo Foundation by city officials. The scholarship fund now amounts to 300;

million lire (about \$130,000).

Tapping a collection that has been growing since 1826, the National Academy Museum in New York, will hold an exhibition to give significant exposure to its holdings of works on paper. The show, "Treasures Revealed: 19th- and 20th-Century Works on Paper," consisting of about 100 drawings, prints and watercolors hy American opens Saturday a March 7. The artists include James Carroll Beckwith, Jasper Johns,

Thomas Moran and Elihu Vedder.



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